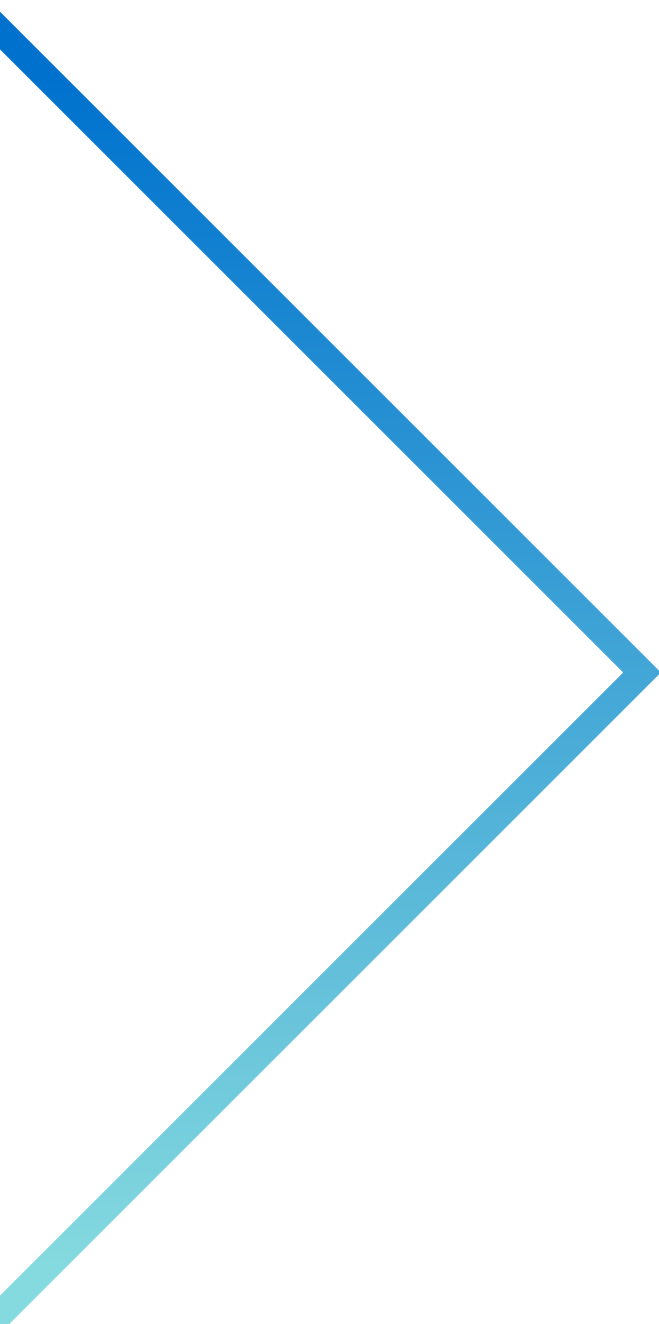




ASIC
Australian Securities &
Investments Commission



Review of court and creditors' voluntary liquidation process: 2021–2025

Report 843 | October 2026

About this report

This report outlines the findings from our review of the court and creditors' voluntary liquidation data for the period 1 July 2021 to 30 June 2025.

The findings of this report will be of interest to registered liquidators, industry bodies, academics and policymakers.

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About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents: consultation papers, regulatory guides, information sheets and reports.

Disclaimer

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations. Examples in this report are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

Overview

Court and creditors' voluntary liquidations are the longstanding legal processes that wind up insolvent companies in Australia. When a company is insolvent, an independent registered liquidator (the liquidator) takes control of the company so its affairs can be wound up in an orderly manner.

The most common type of insolvent liquidation is a creditors' voluntary liquidation (CVL). A CVL begins when:

- › an insolvent company's shareholders resolve to liquidate the company and appoint a liquidator, or
- › creditors vote for liquidation following voluntary administration or a terminated deed of company arrangement.

In a court liquidation, a liquidator is appointed by the court to wind up a company following an application (usually by a creditor). Directors, shareholders and ASIC can also make a winding up application to the court.

What this report is about

This report examines the operation and outcomes of court liquidations (not including provisional liquidations) and CVLs involving companies that entered liquidation between 1 July 2021 and 30 June 2025 (review period). It provides ASIC's observations on court liquidation and CVL data, both separately and in aggregate, including:

- › trends and characteristics, including the profile of companies entering liquidation
- › reported assets and liabilities and other resources available in liquidations
- › investigations, potential recovery actions and recoveries
- › creditor outcomes and returns, and
- › remuneration, disbursements and the duration of appointments

ASIC has publicly reported certain data lodged with us by registered liquidators as part of its long-standing [Series 3 insolvency statistics](#). Since September 2017, following the commencement of the *Insolvency Law Reform Act 2016* reforms, ASIC has collected additional structured data on liquidations in the form of new annual and end of administration returns. This data supports ASIC's oversight of external administrations and provides greater transparency about liquidation processes and outcomes. We have not previously reported publicly on the operation and outcomes of court liquidations and CVLs with the level of detail contained in this report.

We have provided more information about court liquidations and CVLs in Appendix 1.

Our review

We analysed selected data for 7,762 court liquidations and 21,997 CVLs that commenced during the review period.

To avoid double-counting, we grouped companies that entered court or CVL with the same registered liquidator on the same day and ceased on the same day. This resulted in 26,664 grouped appointments (7,023 court and 19,641 CVLs – referred to as ‘appointments’ in this report).

This report is based on data as at 30 September 2026. As at that date, 4,391 court appointments and 14,473 CVL appointments were finalised. The remaining 2,632 court liquidations and 5,168 CVLs were ongoing.

Outcomes based only on finalised appointments may slightly overrepresent shorter or simpler matters, particularly for recoveries, dividends and duration; see Appendix 2 for further detail.

We have explained our methodology in Appendix 2, including the use of company grouping, the forms and data sources analysed, and the limitations associated with our data and analysis.

Our findings

Our review shows that many court liquidations and creditors’ voluntary liquidations (CVLs) commence with limited estimated realisable assets and ultimately realise very little. Half of all liquidations realised no more than \$10,000 in gross assets, with half of these realising no assets. In the overall findings, assets realised were also small relative to creditor claims: 45.8% of finalised liquidations realised no more than 1% of reported liabilities.

These financial constraints limited what could be achieved through liquidations for the appointments we reviewed. Although liquidators commonly identified potential recovery actions, reported recoveries were uncommon. Recoveries other than insolvent trading recoveries were reported in 8.9% of finalised liquidations, while insolvent trading recoveries were reported separately in 0.9% of finalised liquidations. Limited funding, together with evidentiary and commercial considerations, may have restricted the actions a liquidator could have reasonably pursued.

Limited assets and realisations also contributed to limited returns. Only 5.3% of finalised liquidations paid unsecured creditors a dividend. Among appointments that paid a dividend, the median return was 9.8 cents in the dollar.

Funding constraints also affected remuneration and liquidation costs. In many appointments, remuneration paid was below the amount approved, although this difference does not establish the value of work performed but unpaid. External funding commonly supplemented company assets in CVLs: around 67% of CVLs with available data reported an indemnity or upfront payment, with a median value of approximately \$11,000.

Court liquidations faced more pronounced resource constraints than CVLs. They were more likely to commence with little or no assets and without timely information from directors. No gross assets were realised in 45.4% of court liquidations. Around 70.5% realised no more than 1% of reported liabilities, and 62.1% reported no remuneration paid to the liquidator.

Our review shows that Australia’s liquidation system is predominantly dealing with relatively small companies with limited assets. Around 69% of appointments reported liabilities below \$1 million, including 50.9% with liabilities below \$500,000, and 89.6% reported five or fewer employee

creditors. Most involved established rather than newly registered companies, with 60.9% of appointments involving companies aged six years or more. Around one in five appointments involved a company with at least one director who had previously been a director of another company when it entered liquidation.

The relatively small scale of many companies entering CVL also indicates that a substantial number had liabilities not exceeding \$1 million, meaning they may have been eligible to adopt the simplified liquidation process. However, adoption of the simplified process remained very low and declined over time – only eight appointments in 2024–25, or around 0.2% of CVLs with liabilities not exceeding \$1 million.

The findings are consistent with the view expressed in ASIC's submission to the Productivity Commission's inquiry into business dynamism that there are opportunities to improve access to the simplified liquidation process. A more accessible and effective simplified liquidation process could enable eligible small businesses to be wound up more efficiently, promptly and cost-effectively, while retaining appropriate protections for creditors.

Supporting data pack

A key finding of this review is that the process and outcomes depend on the appointment type (court liquidations compared to CVLs), available assets, creditor profile and other factors.

To support transparency and enable registered liquidators, industry bodies, academics, policymakers and other stakeholders to better understand how the court and CVL process operate, we have provided a supporting data pack, see: *Report 843 Review of court and creditors' voluntary liquidation process: 2021–2025* ([REP 843](#)) – *Data pack*. The data pack contains more detailed aggregate data and allows users to filter by characteristics of interest.

The data pack should be read together with the methodology and data limitations explained in this report.

ASIC's next steps

We are committed to monitoring and supporting the effective operation of the corporate insolvency system, including the liquidation process, with a focus on transparency and consistency. The data in this report will inform current and any future reviews of the insolvency system.

Following the release of this report, we will continue to:

- › monitor trends and outcomes across court liquidations, CVLs and simplified liquidations
- › use the findings to inform ASIC's regulatory, surveillance and communication activities, and
- › provide relevant data and regulatory insights to government reviews, including the Productivity Commission's inquiry into reducing barriers to business dynamism in Australia.

ASIC has increased its focus on helping small business directors identify and respond to financial difficulty early. We recently launched a [Small business director essentials hub](#), which brings together practical guidance and resources for this business category. Alongside this report, we are also releasing a new online learning module to help directors recognise signs of financial difficulty, understand the options available and seek advice from appropriately qualified persons before the company's position deteriorates further. We will continue working with trusted

intermediaries and other government agencies to improve awareness of these resources and encourage directors to act early. Acting early means responding when financial warning signs first emerge; by reviewing the company's financial position, seeking appropriately qualified advice and considering available restructuring or insolvency options. Early action may provide more time to preserve business value, address financial difficulties and limit further losses to creditors.

ASIC's broader regulatory priorities also support better outcomes for small business. We will continue to:

- › address misconduct and lending practices that adversely affect small businesses; and
- › improve directors' conduct and access to reliable business information, including by addressing illegal phoenix activity, and improving registry information.

ASIC's review of court and creditors' voluntary liquidation process 2021–2025

1 July 2021 – 30 June 2025

REVIEW POPULATION

29,759
companies entered
liquidation

26,664
grouped
appointments

\$117.2bn
in total reported liabilities,
about \$479,000
per appointment (median)



Most liquidations
involved small
companies with
few assets



report liabilities
below \$1 million

Around 90%
reported **five or
fewer** employee
creditors

7 years
median
company age

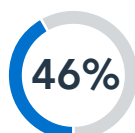


50%
of finalised liquidations
realised **no more than
\$10,000 in gross assets**

25% realised **none**



Limited assets
constrain
recoveries and
creditor returns



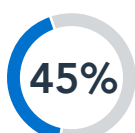
of finalised
liquidations realised
no more than 1% of
reported liabilities

9%
of finalised liquidations **reported a voidable recovery**
other than insolvent trading²
\$20,878 median recovery

5.3%
of finalised liquidations paid a dividend to ordinary
unsecured creditors
9.8 cents in the dollar median dividend



Court liquidations
were more likely
to commence
with little or no
assets



had **no
estimated
realisable assets**
CVLs – 26%



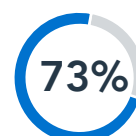
56%
reported a **ROCAP** received by the
end of the liquidation
CVLs – 93%

70%
of finalised court liquidations realised
no more than 1% of reported liabilities
CVLs – 39%

Many liquidations relied
on external funding
and showed indicators
of unrecovered
remuneration



67%
of CVLs with an available
DIRRI reported an indemnity
or upfront payment
\$11,000 median



paid no dividend and
reported remuneration
paid below the
approved amount

**Simplified liquidation
uptake remained very low**

Only **8 simplified liquidations in 2024–25**,
equivalent to 0.2% of CVLs reporting liabilities not exceeding \$1m¹

ROCAP – Report on Company Activity and Property | CVL – Creditors' voluntary liquidation | Court – Court liquidation |
DIRRI – Declaration of Independence, Relevant Relationships and Indemnities

¹ Liabilities are only one of the statutory eligibility criteria. ² Finalised appointments may overrepresent short or simpler matters.

Trends in liquidation appointments over time

The review covered 29,759 companies across 26,664 appointments

The **29,759** companies that entered court liquidation or CVL between 1 July 2021 and 30 June 2025 were comprised of:

- › 7,762 companies in court liquidation, and
- › 21,997 companies in CVL.

Grouped liquidation appointments

Some companies entered liquidation at the same time, as part of a group. We grouped these companies into a single appointment for our review. This provided a consistent basis for analysis and reduced the risk of double-counting financial information reported at a group level.

This resulted in a reduction of the appointments we assessed by 3,095, to a total of **26,664** – made up of 7,023 court liquidations and 19,641 CVLs: see Table 1. Most appointments (25,079, or 94.1%) involved a single company. The remaining 1,585 appointments (5.9%) involved two or more companies and covered 4,680 companies in total.

Most grouped company appointments involved relatively small groups:

- › 1,481 appointments covered between two and five companies
- › 75 covered between six and 10 companies, and
- › 29 covered 11 or more companies.

Further information about the grouping approach and its limitations is in Appendix 2.

Table 1: Number of companies within grouped liquidation appointments

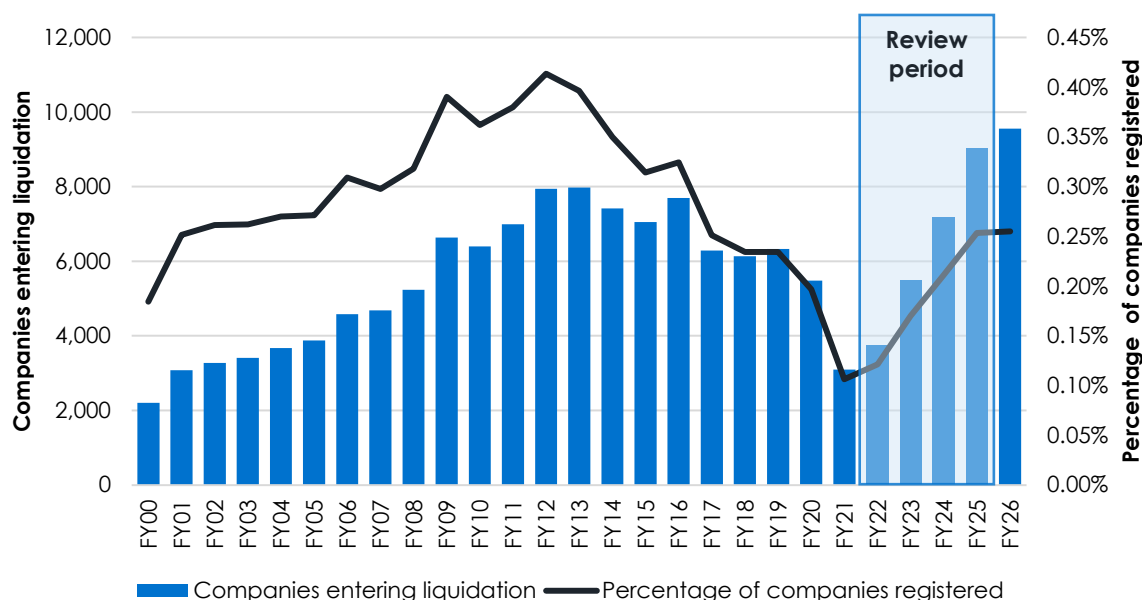
Companies within an appointment	Companies	Appointments	Share of appointments
1	25,079	25,079	94.1%
2–5	3,552	1,481	5.5%
6–10	541	75	0.3%
11 or more	587	29	0.1%
Total	29,759	26,664	100.0%

Liquidation appointments increased during the review period, but remained within historical levels

The number of companies entering liquidation increased during the review period, coinciding with the expiry of temporary COVID-19 insolvency measures and a broader normalisation of insolvency activity following the unusually low appointment levels observed during the pandemic period.

Although liquidation appointments have increased, the Australian corporate population has also grown significantly over time. When appointments are considered relative to the number of registered companies, the rate of companies entering liquidation in recent years was within the range observed in years before 2020: see Figure 1.

Figure 1: Liquidation appointments and liquidation rate relative to the corporate population (FY00–FY26)



Source: [ASIC Series 1 insolvency statistics](#).

Note 1: See Table 22 in Appendix 3 for the data in this figure (accessible version).

Note 2: This figure uses ASIC Series 1 first-entry statistics, rather than the grouped court liquidation and CVL population analysed in this report. Series 1 records the first time a company enters external administration or has a controller appointed and does not capture a later CVL following another external administration. The liquidation rate in recent years was within the range observed in several years before 2020.

Note 3: FY26 includes data from 1 July 2025 to 30 June 2026. FY26 is outside the review period because insufficient time has elapsed to assess the outcomes of liquidations commencing in that year.

Creditors' voluntary liquidations have accounted for a greater share of all liquidation types over time

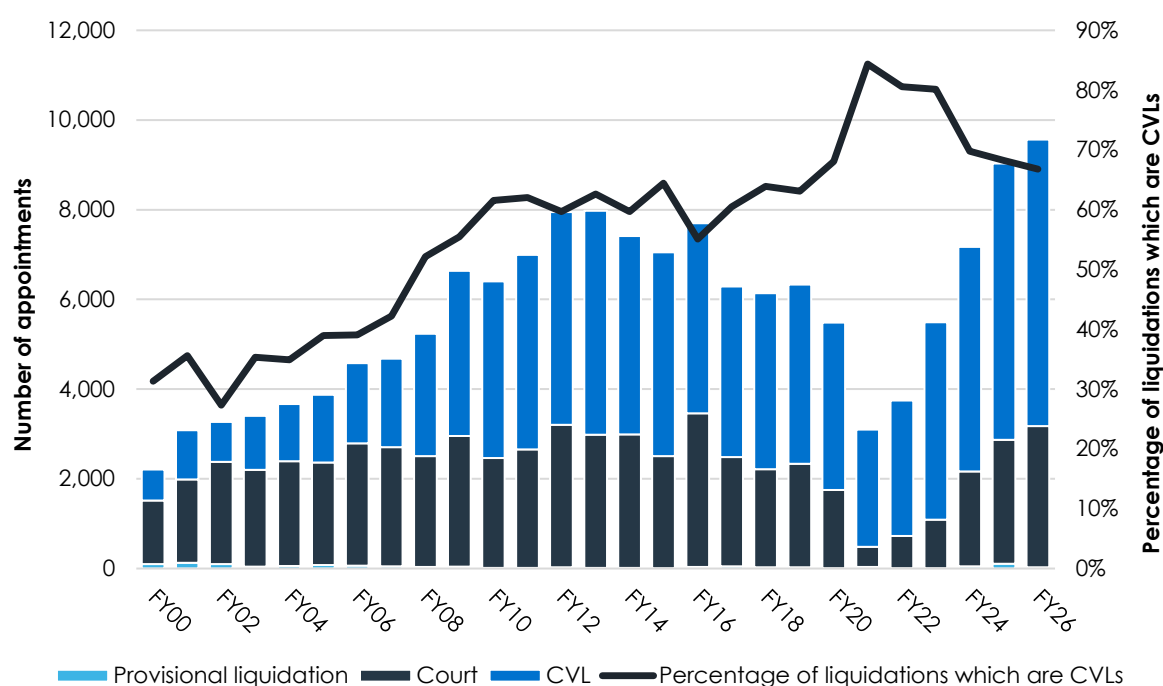
The composition of insolvent liquidations has shifted substantially over the past 25 years. In the early 2000s, CVLs accounted for around one-third of liquidation appointments. By the late 2000s, they accounted for more than 60%.

The most significant increase occurred following the 2007 insolvency reforms, which streamlined the process for commencing a CVL. CVLs subsequently became the most common form of insolvent liquidation (just over 60% of insolvent liquidations).

The share of CVLs increased further during the COVID-19 pandemic, reaching around 84% of liquidation appointments in FY21. This coincided with temporary insolvency relief and reduced creditor-initiated winding-up activity, which contributed to an unusually low number of court liquidations.

The balance has moved closer to historical levels since 2023 as court liquidation activity has increased. However, CVLs have continued to account for the majority of liquidation appointments. During the review period, they represented 73.7% of appointments, including 69.4% in FY25: see Table 1 and Figure 2.

Figure 2: Court liquidations and CVLs by financial year (FY00–FY26)



Source: [ASIC Series 1 insolvency statistics](#).

Note 1: See Table 23 in Appendix 3 for the data in this figure (accessible version).

Simplified liquidation uptake declined from a low base

Simplified liquidations were not included in the review population. The simplified liquidation process is an alternative streamlined process that may be adopted after a company enters a creditors' voluntary liquidation, where the statutory eligibility criteria are met.

ASIC has previously reported on the low uptake of the simplified liquidation process: see Report 789 *Review of simplified liquidations: 2021-2023* ([REP 789](#)). The uptake of the simplified liquidation process has remained low and has declined since our previous report in absolute terms, and relative to the pool of potentially eligible companies: see Table 2.

Table 2: Uptake of simplified liquidation relative to CVLs with reported liabilities not exceeding \$1 million

Financial year	Simplified liquidations adopted	CVLs with reported liabilities not exceeding \$1 million	Simplified liquidations as a proportion of CVLs with reported liabilities not exceeding \$1 million
FY22	29	2,350	1.2%
FY23	29	3,131	0.9%
FY24	21	3,590	0.6%
FY25	8	4,522	0.2%
Total	87	13,593	0.6%

Note: Liabilities not exceeding \$1 million are one of several eligibility criteria for adoption of the simplified liquidation process. The number of CVLs with reported liabilities not exceeding \$1 million is therefore an indicative comparison population and should not be interpreted as the number of companies that met all statutory eligibility criteria. The simplified liquidation figure records processes adopted during the financial year.

As outlined in ASIC's submission to the Productivity Commission's inquiry into reducing barriers to business dynamism in Australia, ASIC's experience and stakeholder feedback indicates that the low uptake reflects a number of barriers in the current framework, including:

- › the timing and sequencing of procedural requirements, which delay access to the simplified process
- › the need to initially administer the matter under the standard liquidation framework, creating duplication of effort, and
- › added complexity and cost in the early stages of an administration, which diminishes the intended benefits of the simplified regime.

Liabilities remained broadly stable during the review period

Appointments that commenced during the review period had aggregate reported liabilities of \$117.2 billion, ranging from \$19.2 billion in FY22 to \$34.3 billion in FY25: see Table 3.

Median liabilities per appointment remained broadly stable, ranging from \$412,000 to \$530,000 across the four years. The median for the full review period was \$478,609.

Reported liabilities per appointment remained broadly stable during the review period. Annual aggregate liabilities varied with the number of appointments and the liabilities reported in individual matters, including a small number with very large liabilities. These amounts should be interpreted with the limitations outlined in Note 2 to Table 3.

Table 3: Reported liabilities for liquidations that commenced FY22–FY25

Financial year	Number of appointments that commenced	Total liabilities	Mean liabilities	Median liabilities
FY22	4,120	\$19.2bn	\$4.7m	\$412,442
FY23	5,774	\$33.9bn	\$5.9m	\$476,687
FY24	7,623	\$29.8bn	\$3.9m	\$530,215
FY25	9,147	\$34.3bn	\$3.8m	\$466,147
Total	26,664	\$117.2bn	\$4.4m	\$478,609

Note 1: Creditor values are first sourced from lodgements of *End of administration returns* ([Form 5603](#)) or, where not available, from the most recent *Annual administration return* ([Form 5602](#)) or, if also not available, from lodgements of *Statutory report by a liquidator to creditors* ([Form 5601](#)).

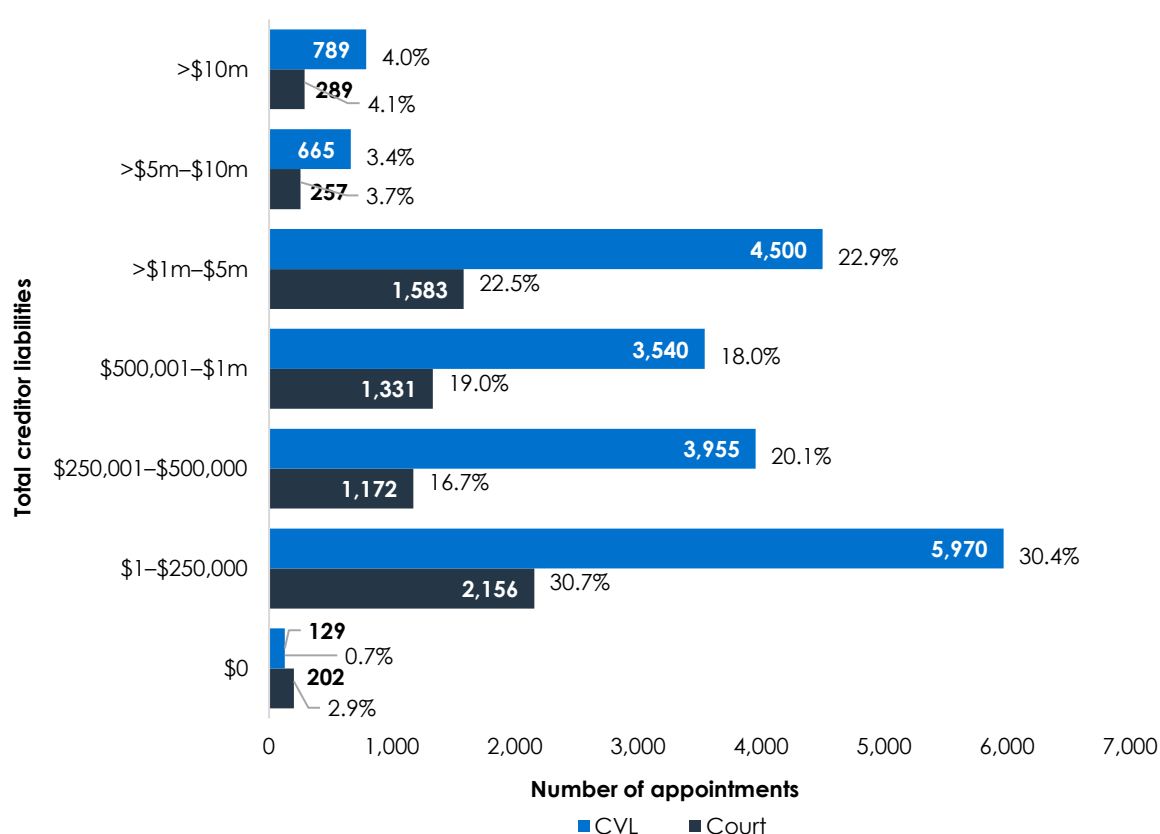
Note 2: While the grouping approach used in this review reduces the extent of double-counting financial information reported at a group level, aggregate liabilities may still include the same or related economic exposures across companies, including where companies have intercompany liabilities or guarantee arrangements. Reported liabilities are also subject to the information available to liquidators and differences in reporting practices. Further, some liquidation appointments followed a long-running external administration, such as a deed of company arrangement. Liabilities following that earlier process are included in the reported amounts, even where they arose many years before the liquidation commenced.

Characteristics of companies entering liquidation during the review period

Most appointments had liabilities of less than \$1 million

The median value of total creditor liabilities reported for court liquidations was approximately \$491,211 and for CVLs was \$473,986. Around 69% of appointments had total liabilities of less than \$1 million. Despite the higher number of CVLs, the distribution of appointments across the liability bands was broadly similar for court liquidations and CVLs: see Figure 3.

Figure 3: Distribution of liquidations by value of creditor liabilities



Note 1: See Table 24 in Appendix 3 for the data in this figure (accessible version).

Note 2: Total appointments were 26,664 for all liquidations: 7,023 for court liquidations and 19,641 for CVLs. There were no recorded liabilities for 33 court appointments and 93 CVLs.

Note 3: Creditor values are first sourced from lodgements of [Form 5603](#) or, where not available from the most recent [Form 5602](#) or, if these are also not available, from lodgements of [Form 5601](#).

Unsecured creditors accounted for around 76% of liabilities

Unsecured creditors are present in almost all liquidations (98.0%) and accounted for the largest share of creditor claims. Based on the available creditor data, unsecured claims represented 76.3% (\$89.4 billion) of liabilities. Where an unsecured liability was reported, the median was also the highest of the creditor classes, at \$404,926.

Secured creditors were less prevalent but remained material. They were reported in 25.9% of appointments and accounted for \$25.2 billion, or 21.5% of reported liabilities. Employee priority claims were common but comprised a small proportion of total value: see Table 4.

Table 4: Reported creditor liabilities by creditor class for companies entering liquidation during the review period

Creditor class	% of liquidation appointments	Total value	% of total value	Median value (where there is a liability)
Priority – wages/super	41.9%	\$1.6bn	1.3%	\$39,847
Priority – leave	20.5%	\$435.2m	0.4%	\$20,378
Priority – retrenchment	13.1%	\$503.7m	0.4%	\$20,888
Secured	25.9%	\$25.2bn	21.5%	\$104,934
Unsecured	98.0%	\$89.4bn	76.3%	\$404,926
Total	98.3%	\$117.2bn	100.0%	\$489,490

Note 1: Creditor values are first sourced from lodgements of [Form 5603](#) or, where not available from the most recent [Form 5602](#) lodgements or, if also not available, from lodgements of [Form 5601](#).

Note 2: Includes all 26,664 appointments. Of these, 26,207 have reported total creditor liabilities greater than zero; the remaining 457 are zero or blank.

Note 3: Creditor-class values and percentages have been rounded. As a result, the figures displayed may not sum to the reported total or 100%.

Of the 26,664 appointments, 46.6% (12,360) reported no employee creditors and 43.0% (11,405) reported one to five employees. Appointments with more than 20 employees, 2.8% (747) accounted for 34.2% of total priority entitlements (\$859.6m). Only 0.3% (76) appointments reported more than 100 employees, with \$397.8 million in priority employee entitlements: see Table 5.

Table 5: Priority creditors profile of companies in liquidation during the review

Number of employees reported (count)	Number of appointments	Priority entitlements
No employees	12,360	\$988,287
1–5 employees	11,405	\$1,127.1m
6–10 employees	1,213	\$242.2m
11–20 employees	813	\$287.0m
21–100 employees	671	\$461.8m
>100 employees	76	\$397.8m
Total	26,538	\$2,516.9m

Note 1: Creditor values and numbers are first sourced from lodgements of [Form 5603](#) or, where not available from the most recent [Form 5602](#) lodgements or, if also not available, from [Form 5601](#) lodgements.

Note 2: All 26,664 appointments are included. Unknown employee count was recorded for 126 appointments and are excluded from the table.

Employee-related liabilities were more prevalent in CVLs than in court liquidations. CVLs were more likely to report each employee-related creditor class, particularly leave and retrenchment.

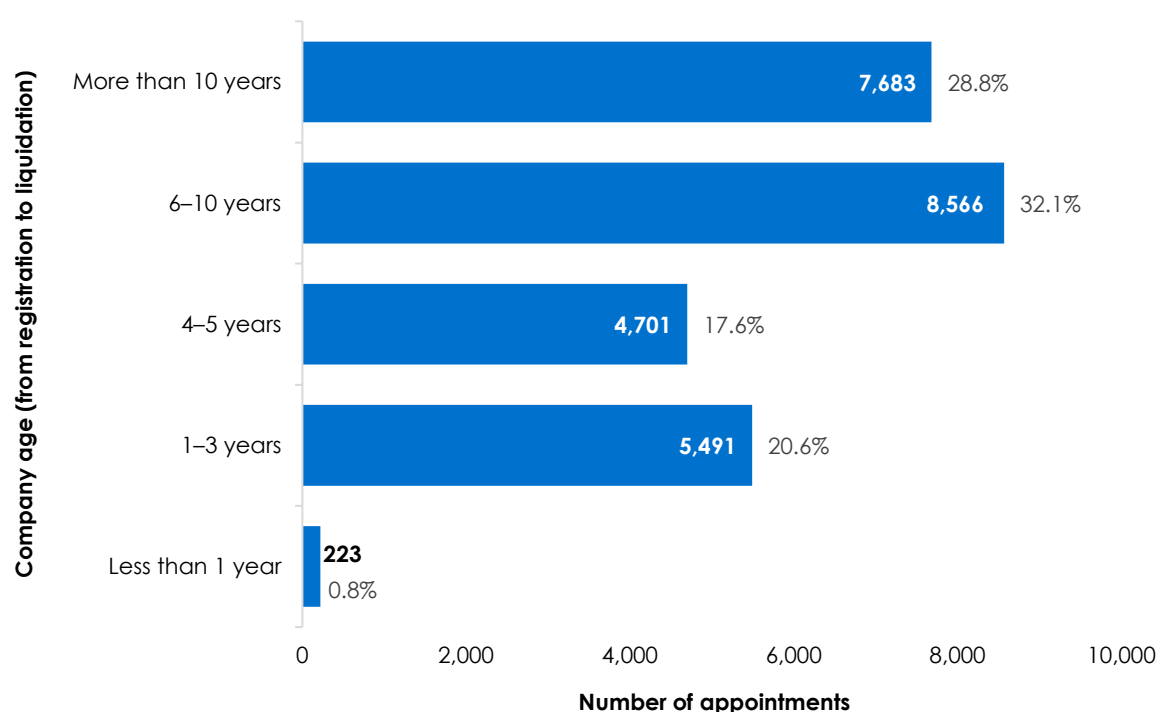
However, for court liquidations, wages/super liabilities are relatively concentrated in fewer, high-value matters.

The median company age at the commencement of liquidation was seven years

Companies six years old or more accounted for 60.9% of appointments, including 32.1% aged 6–10 years and 28.8% aged more than 10 years. The median company age at the commencement of liquidation was seven years (mean: 9.5 years).

Companies aged three years or less accounted for 21.4% of appointments, including 0.8% involving companies less than one year old: see Figure 4. The age profile was broadly similar for court liquidations and CVLs.

Figure 4: Company age at commencement of liquidation



Note 1: See Table 25 in Appendix 3 for the data in this figure (accessible version).

Note 2: All 26,664 appointments are included. The calculation of years from registration to liquidation date uses the earliest date of registration.

Note 3: These figures represent appointment volumes, not the risk of insolvencies based on age, as the population of active companies is not included.

One in five appointments involved a director with a previous liquidation appointment

Of the 26,664 liquidation appointments during the review period, 20% (5,331) involved a company with at least one director who had previously been a director of another company at the time it entered liquidation. The proportion was broadly stable across the review period, ranging from 19.5% to 20.9%: see Table 6.

This measure identifies previous involvement in a liquidation appointment only. It does not indicate the number, timing or circumstances of any other previous appointments, whether the director held office when the circumstances leading to insolvency arose, or whether the director's conduct contributed to the failure of any company.

Note: ASIC's [Series 3 Insolvency statistics](#) provide information about possible misconduct reported by external administrators in initial statutory reports lodged with ASIC. The Series 3 statistics cover multiple types of external administration and are not limited to court liquidations and CVLs.

Table 6: Liquidation appointments by directors' previous involvement in liquidation

Financial year	Company director had no previous liquidation appointment	Company director had previous liquidation appointment	Total	% of appointments where company director had previous liquidation appointment
FY22	3,259	861	4,120	20.9%
FY23	4,617	1,157	5,774	20.0%
FY24	6,097	1,526	7,623	20.0%
FY25	7,360	1,787	9,147	19.5%
Total	21,333	5,331	26,664	20.0%

Note: A director is counted as having previous liquidation involvement if they were linked to the company at the start of its liquidation or ceased as a director within the preceding 12 months and were also linked to an earlier liquidation of a different company. Each director is counted once for the current appointment, regardless of how many earlier liquidations they were linked to. While some basic matching has been undertaken, our matching approach does not account for all variations in recorded personal details across different director appointments, so some previous involvement may not have been identified.

Most companies had ceased trading before liquidation, but some businesses continued under a different entity

Based on [Form 5601 Statutory report by a liquidator to creditors](#) (initial reports to creditors), 88.5% of companies had ceased trading before the liquidator's appointment, while the remaining 11.5% were still trading when the appointment commenced: see Figure 5.

Among companies reported as having ceased trading, 16.0% of companies (3,674) had sold or transferred their business before the appointment. Of that group:

- 93.7% reported that the business was subsequently carried on by another person, and
- 89.7% reported the company received consideration for the sale or transfer.

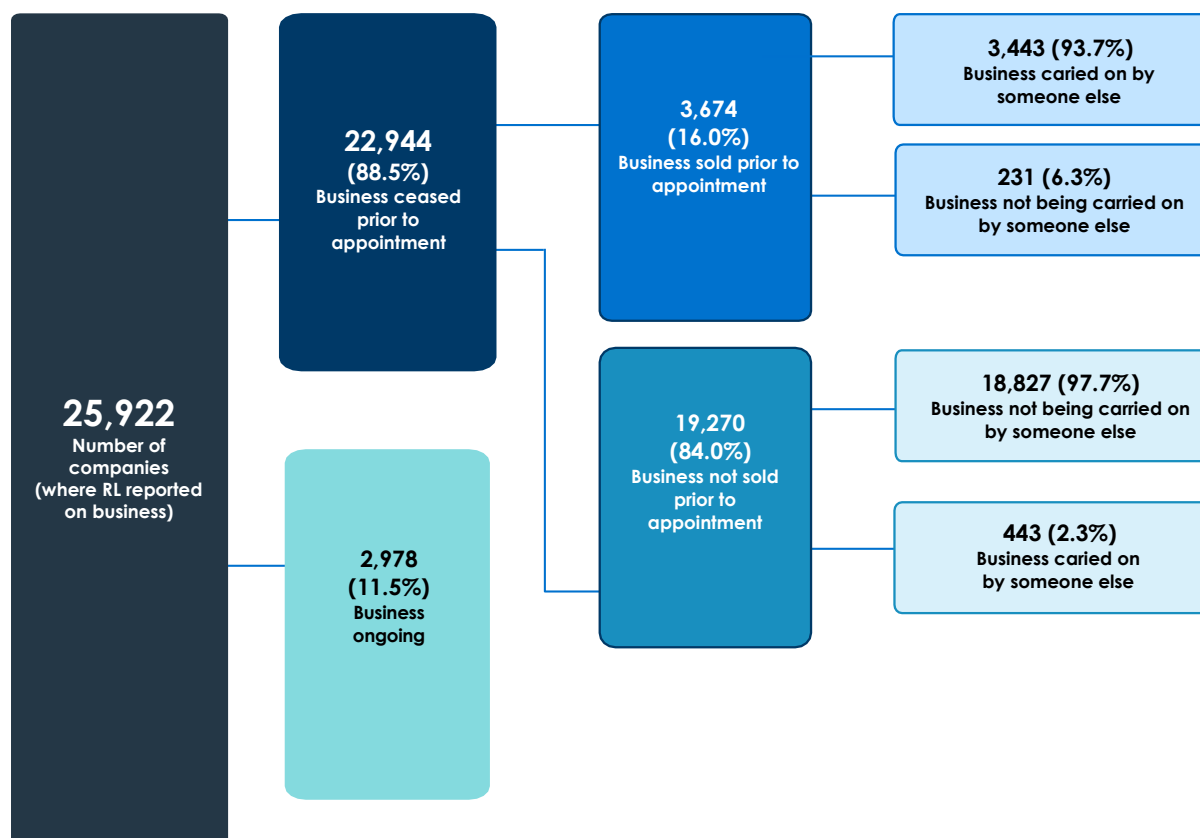
For 2.3% of companies (443), liquidators reported no sale or transfer before appointment, although the business was carried on by another person. This may reflect circumstances not captured fully in Form 5601, such as an informal transfer, a change in operating entity or differences in how liquidators interpreted the questions.

A pre-appointment sale or transfer may preserve business operations, employment, or enterprise value. The continuation of a business by another person is not, of itself, evidence of misconduct. However, further inquiry may be warranted where other evidence suggests a related party transfer, the company did not receive appropriate value or creditors' interests may have been adversely affected.

Liquidators investigate and report suspected misconduct to ASIC. We assess these reports and other available intelligence when determining whether regulatory or enforcement action is warranted.

Note: [ASIC's Series 3 Insolvency Statistics](#) provide information about possible misconduct reported by external administrators in initial statutory reports lodged with ASIC, including reports relating to creditor-defeating dispositions. The Series 3 statistics cover multiple types of external administration and are not limited to court liquidations and CVLs.

Figure 5: Sale and continuation of businesses in liquidations



Note 1: See Table 26 in Appendix 3 for the data in this figure (accessible version).

Note 2: Figure 5 starts with 25,922 appointments, rather than all 26,664 appointments in the review population. The difference mainly reflects CVLs that followed voluntary administration. Percentages are calculated using valid responses to each [Form 5601](#) question and exclude unknown responses and appointments without the relevant Form 5601 data.

Note 3: The flow chart presents responses to separate Form 5601 questions and does not show that one reported circumstance caused or led to another.

Note 4: Of the 2,978 appointments involving an ongoing business, the relevant question was answered in only 101 forms. Of these, 22 reported that the business was being carried on by another person.

The majority of court liquidations were initiated by non-government creditors

Winding up applications were made by a broad range of creditors. Across the review period, non-government creditors collectively initiated the majority of court liquidations, however the Australian Taxation Office (ATO) was the largest single petitioning creditor: see Table 7.

Table 7: Court liquidation appointments by petitioning creditor category

Petitioning creditor category	Number of court liquidations with petitioner	% of court liquidations
Uncategorised creditors (including trade creditors and lessors)	2,990	42.6%
Australian Taxation Office	2,212	31.5%
Other government agency (including workers compensation, state revenue and councils)	1,043	14.9%
Non-bank lender or financier	584	8.3%
Fuel and utilities creditors	322	4.6%
Bank	47	0.7%

Note 1: This is an indicative list only based on basic keyword searches of petitioner creditor names used to classify creditors into the categories shown in the table. Most uncategorised creditors appeared to be trade creditors or lessors.

Note 2: The category counts and percentages do not sum to the total number of court liquidation appointments or 100%, respectively, because an appointment may involve more than one petitioning creditor.

Note 3: Appointments without an available petitioning creditor (281) (e.g., due to non-lodgement of a form) were included as an uncategorised creditor.

Construction was the most represented industry in both appointments and total liabilities

Construction was the most represented industry, accounting for 26.9% of appointments (7,181) and the largest share of reported liabilities; at \$29.1 billion, or 24.8% of the total: see Table 8.

Construction, accommodation and food services, and other services together accounted for 52.7% of appointments and 38.1% of reported liabilities. There were some industries with relatively few appointments that made a substantial contribution to reported liabilities:

- › financial and insurance services accounted for 3.0% of appointments but \$15.5 billion (13.2%) of reported liabilities
- › mining accounted for 0.9% of appointments but 11.6% of reported liabilities (\$13.6 billion) and had the highest median liabilities, at \$1.6 million, and
- › rental, hiring and real estate services accounted for 2.8% of appointments but 7.3% of reported liabilities (\$8.6 billion).

Table 8: Appointments and reported liabilities by industry

Industry	Number of appointments	% of appointments	Total liabilities	Median liabilities
Construction	7,181	26.9%	\$29.1bn	\$0.51m
Accommodation and food services	4,302	16.1%	\$6.6bn	\$0.39m
Other services	2,573	9.6%	\$8.9bn	\$0.39m
Retail trade	1,900	7.1%	\$4.2bn	\$0.48m
Professional, scientific and technical services	1,576	5.9%	\$2.8bn	\$0.44m

Industry	Number of appointments	% of appointments	Total liabilities	Median liabilities
Administrative and support services	1,447	5.4%	\$4.9bn	\$0.57m
Transport, postal and warehousing	1,311	4.9%	\$2.9bn	\$0.40m
Manufacturing	1,244	4.7%	\$5.9bn	\$0.71m
Financial and insurance services	793	3.0%	\$15.5bn	\$0.62m
Rental, hiring and real estate services	744	2.8%	\$8.6bn	\$0.61m
Information, media and telecommunications	624	2.3%	\$2.1bn	\$0.49m
Healthcare and social assistance	602	2.3%	\$1.2bn	\$0.54m
Wholesale trade	543	2.0%	\$2.8bn	\$0.73m
Arts and recreation services	504	1.9%	\$0.4bn	\$0.32m
Electricity, gas, water and waste services	331	1.2%	\$1.8bn	\$0.58m
Agriculture, forestry and fishing	307	1.2%	\$2.6bn	\$0.72m
Mining	242	0.9%	\$13.6bn	\$1.64m
Education and training	214	0.8%	\$0.5bn	\$0.63m
Public administration and safety	174	0.7%	\$0.2bn	\$0.52m
Not available/unknown	52	0.2%	\$2.7bn	\$0.30m
Total	26,664	100.0%	\$117.2bn	\$0.48m

Note: The industries and number of appointments are based on lodgements of [Form 505](#) Notification of appointment or cessation of an external administrator. The total liabilities and median liabilities are first sourced from lodgements of [Form 5603](#) or, where not available from the most recent [Form 5602](#) lodgements or, if also not available, from lodgements of [Form 5601](#). There were 52 appointments where the industry division was unknown as the Form 505 did not disclose the industry division.

Resources available to liquidations

Many appointments had limited estimated realisable assets and limited gross assets realised

At the time of their initial report to creditors, liquidators estimated that 55.9% of appointments had no more than \$10,000 in realisable assets, including 30.9% where no realisable assets were identified.

Court liquidations were more likely than CVLs to have limited expected realisations. An estimated 66.9% of court liquidations had no more than \$10,000 in realisable assets, compared with 51.9% of CVLs. No realisable assets were identified in 45.4% of court liquidations, compared with 25.7% of CVLs: see Table 9.

Table 9: Estimated realisable assets by appointment type

Estimated realisable assets	All liquidations	Court liquidations	CVLs
Nil (\$0)	30.9%	45.4%	25.7%
\$1–\$10,000	25.0%	21.5%	26.2%
\$10,001–\$50,000	21.4%	10.5%	25.3%
\$50,001–\$250,000	11.5%	8.7%	12.6%
\$250,001–\$1m	4.5%	3.5%	4.8%
More than \$1m	2.2%	2.6%	2.0%
Unknown	4.5%	7.8%	3.3%
Total	100.0%	100.0%	100.0%

Note 1: Unknown (1,202 appointments) are appointments where a [Form 5601](#) was not available or the question was not answered.

Note 2: Total appointments were 26,664 for all liquidations: 7,023 for court liquidations and 19,641 for CVLs.

The actual realisations reported were similar. Among all liquidations, 50.0% realised no more than \$10,000 in gross assets, including 25.4% where no assets were realised.

Court liquidations generally realised less than CVLs. No assets were realised in 45.4% of court liquidations, compared with 18.3% of CVLs. In total, 68.7% of court liquidations realised no more than \$10,000, compared with 43.4% of CVLs.

Only 19.9% of liquidations realised more than \$50,000. The proportion was lower for court liquidations (15.6%) than for CVLs (21.5%): see Table 10.

Table 10: Gross assets realised in liquidations by appointment type

Gross assets realised	All liquidations	Court liquidations	CVLs
Nil (\$0)	25.4%	45.4%	18.3%
\$1–\$10,000	24.6%	23.3%	25.1%
\$10,001–\$50,000	28.4%	13.8%	33.7%
\$50,001–\$250,000	13.6%	10.2%	14.9%
\$250,001–\$1m	4.5%	3.5%	4.8%
More than \$1m	1.9%	2.0%	1.8%
Unknown	1.6%	2.0%	1.5%
Total liquidations	100.0%	100.0%	100.0%

Note 1: Values are first sourced from lodgements of [Form 5603](#) or, where not available from the most recent [Form 5602](#) lodgements. Unknown refers to appointments that did not have either form.

Note 2: Total appointments were 26,664 for all liquidations; 7,023 for court liquidations and 19,641 for CVLs.

Note 3: Percentages may not sum to 100% due to rounding.

Available assets were limited relative to reported liabilities

The previous section shows that most finalised liquidations realised relatively little in gross assets. Considered against the liabilities of those companies, the assets realised generally represented only a small proportion of creditor claims. Across the review population of finalised liquidations, \$1.3 billion in gross assets were reported as realised compared to \$31.4 billion in total liabilities.

Among the 18,176 finalised liquidations with available data, 45.8% realised no more than 1% of their liabilities. This included 26.5% where no gross assets were realised. A further 43.6% realised between 1% and 20% of liabilities, while only 10.6% realised more than 20%: see Table 11.

The shortfall was more pronounced in court liquidations. Around 70.5% realised no more than 1% of reported liabilities, compared with 38.7% of CVLs. This included 51.3% of court liquidations with no gross assets realised, compared with 19.4% of CVLs.

These ratios capture gross assets before the costs of the liquidation and claims that rank ahead of unsecured creditors are deducted. The proportion ultimately available for distribution to unsecured creditors would therefore generally be lower.

Table 11: Gross assets realised as a proportion of reported liabilities

Gross assets realised as a proportion of liabilities	All liquidations	Court liquidations	CVLs
Nil	26.5%	51.3%	19.4%
More than 0% to 1%	19.3%	19.2%	19.4%
More than 1% to 5%	21.3%	10.9%	24.2%
More than 5% to 20%	22.4%	9.5%	26.0%
More than 20%	10.6%	9.1%	11.0%
Total	100.0%	100.0%	100.0%

Note 1: The ratio compares gross assets realised with the latest reported liabilities for finalised appointments with both values available. Gross assets realised are measured before deducting the costs and claims that may have priority over unsecured creditors. The ratio therefore does not represent the proportion ultimately available for distribution.

Note 2: Appointments with missing values or zero liabilities were excluded, while appointments with zero gross assets realised were retained in the 'nil' band. The analysis covered 18,176 appointments: 4,118 court liquidations and 14,058 CVLs.

Note 3: Percentages may not sum to 100% due to rounding.

External funding by way of an upfront payment or indemnity was common in CVLs

Where a company has insufficient readily available assets, a liquidator may receive an indemnity or upfront payment from a director, creditor or another person to fund some of the liquidation's costs.

Among CVLs for which a declaration of relevant relationships and/or indemnities (DIRRI) was available:

- › 11,754 reported an indemnity or upfront payment, and
- › 5,716 reported no indemnity.

This means an indemnity or upfront payment was reported in approximately 67.3% of CVLs with an available DIRRI. The total value of the indemnities and upfront payments was around \$179.6 million. The median indemnity/upfront payment was around \$11,000 (mean: \$15,203).

Where there was an upfront payment or indemnity, these accounted for around 82.1% of total liquidation receipts.

Court liquidators were less likely to receive timely information from directors

Directors are generally required to provide the liquidator with a Report on Company Activities and Property (ROCAP). The ROCAP provides information about the company's business, property, financial position and affairs and can assist the liquidator to identify assets, creditors and matters requiring investigation.

At the time an initial report to creditors was lodged with ASIC (generally within approximately three months of appointment), a ROCAP was reported as received in:

- › 90.9% of CVLs, and
- › 48.1% of court liquidations.

Some ROCAPs were received later. By the end of the liquidation, the reported receipt rate had increased to:

- › 93.2% for CVLs, and
- › 55.8% for court liquidations.

The substantial difference is consistent with the nature of the different pathways into liquidation. A CVL is generally initiated by the company, whereas a court liquidation is commonly initiated by a creditor and may occur without the cooperation of the company's directors.

The absence of a ROCAP does not necessarily mean that the liquidator had no information about the company. Information may be obtained from company records, creditors, banks, regulators and other parties. However, court liquidators more often commenced their work without timely access to a director-prepared account of the company's affairs.

Investigations and recoveries

Potential recovery actions were common, but reported recoveries were uncommon

Liquidators reported on their investigations in a Form 5601 for 26,052 appointments (97.7%).

Liquidators identified a potential recovery action in 84.1% of initial statutory reports to creditors. However, among finalised liquidations, only 8.9% reported an actual recovery. These reports generally reflect preliminary investigations early in a liquidation. Identifying a potential action does not establish that a claim exists or that pursuing it would be commercially justified.

Reported recoveries were uncommon among finalised liquidations. However, the initial reports and finalised outcomes relate to different reporting stages and populations, so they do not show the proportion of potential actions that ultimately produced a recovery. Appointments involving lengthy investigations, negotiations or litigation may also remain ongoing for longer and are not captured in the finalised results.

Potential actions may not result in a reported recovery because:

- › further investigation does not establish the elements of a claim
- › the likely return does not justify the cost and risk of pursuit
- › the prospective defendant has insufficient assets to meet a claim
- › insufficient information or funding is available to investigate or pursue the action, or
- › a matter is resolved in a way that is not separately reported as a recovery.

Reported recoveries from voidable transactions in finalised liquidations totalled \$79.3 million. Of the 26,664 liquidations, 24,363 (91.4%) reported no recovery. Where a recovery was reported, amounts were generally modest: 1,612 appointments reported recoveries of \$50,000 or less, while only eighteen reported recoveries exceeded \$1 million: see Table 12. For finalised appointments that reported a recovery, the median recovery was \$20,878, compared with a mean of \$47,540, reflecting the influence of a small number of larger recoveries.

Recovery amounts are reported on a gross basis, before the costs of investigating and pursuing the actions and do not indicate the amount ultimately available for distribution to creditors.

Table 12: Recoveries in ongoing and finalised liquidations

Recovery amount	Total count	Ongoing recoveries	Finalised recoveries	Total recoveries
Nil	24,363	\$0.0m	\$0.0m	\$0.0m
\$1–10,000	496	\$0.56m	\$2.6m	\$3.2m
\$10,001–\$50,000	1,116	\$6.4m	\$22.0m	\$28.5m
\$50,001–\$100,000	396	\$13.2m	\$16.7m	\$29.9m

Recovery amount	Total count	Ongoing recoveries	Finalised recoveries	Total recoveries
\$100,001–\$500,000	243	\$30.2m	\$21.2m	\$51.4m
\$500,001–\$1million	32	\$14.8m	\$6.6m	\$21.4m
More than \$1 million	18	\$23.0m	\$10.1m	\$33.1m
Total	26,664	\$88.2m	\$79.3m	\$167.5m

Note 1: Recoveries were identified using keyword searches of reported General ledger account names. These may include transactions other than recoveries arising from voidable transactions (excluding insolvent trading claims), and some recoveries may not be separately identifiable. The results should therefore be treated as indicative.

Note 2: Recovery outcomes for ongoing appointments may be affected by timing and selection bias because appointments involving recovery actions may remain open for longer. The table does not track a commencement cohort through to finalisation.

Ongoing liquidations reported a further \$88.2 million in recoveries, bringing total reported recoveries across all appointments to \$167.5 million. In addition to the recoveries reported in Table 12, for finalised and ongoing liquidations, \$29.6 million was realised for insolvent trading claims across approximately 246 or 0.9% of ongoing and finalised appointments. The median recoveries for insolvency trading for finalised appointments were \$30,000 (average: \$57,916).

Assignment of recovery rights were uncommon, with proceeds concentrated in a small number of matters

Where a liquidation lacked the resources to pursue a claim directly, assignment of the claim to a third party offered another but not widely used way to realise value. Liquidators may assign a right to sue arising from the liquidation, allowing another person to pursue the claim in exchange for consideration payable to the liquidation.

Assignments were reported in only 22 appointments during the review period, representing less than 0.1% of all appointments. The reported consideration totalled around \$44.1 million and ranged from \$1.00 to \$350,000, with an additional two assignments of \$16.5 million and \$26.9 million.

Creditor outcomes during the review period

Reported dividends to creditors totalled \$2.5 billion

Dividends reported across annual administration returns and final returns totalled \$2.5 billion. This comprised \$2.1 billion in interim dividends (for appointments ongoing at 30 September 2026) and \$450.4 million reported at the end of the liquidation (for finalised appointments): see Table 13.

Ordinary unsecured creditors received the largest reported amount, totalling approximately \$1.9 billion while secured creditors received \$467.3 million. Priority employee creditors received \$163.8 million comprising:

- › \$72.4 million for wages and superannuation
- › \$44.3 million for leave entitlements, and
- › \$47.1 million for retrenchment entitlements.

This aggregate amount reflects dividends reported at different stages of a liquidation and should not be interpreted as a return rate against the liabilities reported elsewhere in this report. The total dividends for appointments in the review period may increase over time as further appointments are finalised.

Table 13: Dividends paid to creditors (all liquidations)

Creditor class	Interim dividends	Final dividends	Total reported
Employees – wages and superannuation	\$25.6m	\$46.8m	\$72.4m
Employees – leave	\$22.5m	\$21.8m	\$44.3m
Employees – retrenchment	\$26.3m	\$20.8m	\$47.1m
Secured creditors	\$296.2m	\$171.1m	\$467.3m
Ordinary unsecured creditors	\$1.7bn	\$190.0m	\$1.9bn
Total	\$2.1bn	\$450.4m	\$2.5bn

Note 1: Interim dividends for unsecured creditors include around \$1.6 billion in dividends from just three large external administrations.

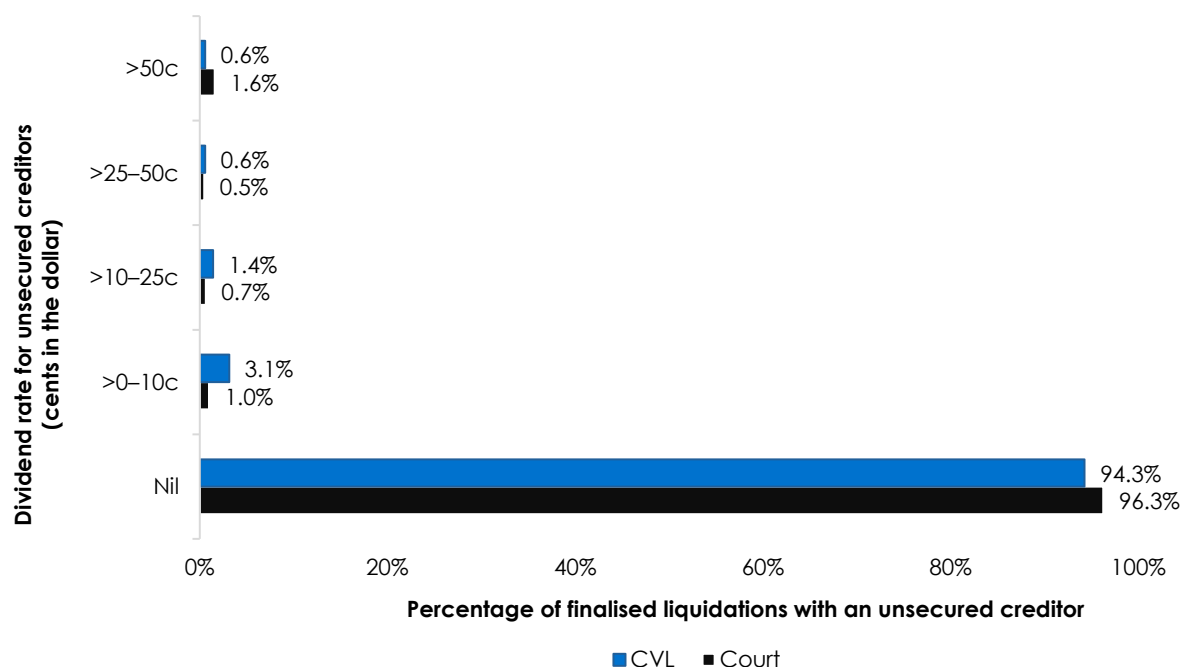
Around 5.3% of finalised liquidations paid a dividend to ordinary unsecured creditors

Of the 18,176 finalised liquidations with available data, 5.3% reported paying a dividend to ordinary unsecured creditors. Among those appointments, the median dividend rate was 9.8 cents in the dollar.

Dividend rates varied considerably. Most appointments that paid a dividend returned less than 10 cents in the dollar, while 67 reported paying ordinary unsecured creditors in full: see Figure 6.

Court liquidations were less likely than CVLs to report paying an ordinary unsecured creditor dividend; at 3.8% compared with 5.8% for CVLs. However, among appointments that reported paying an ordinary unsecured creditor dividend, the median dividend rate was higher for court liquidations at 32.8 cents in the dollar, compared with 8.3 cents for CVLs.

Figure 6: Dividend rate for unsecured creditors for finalised liquidations



Note 1: See Table 27 in Appendix 3 for the data in this figure (accessible version).

Note 2: Creditor values are first sourced from lodgements of [Form 5603](#) or, where not available from the most recent [Form 5602](#) or, if also not available, from lodgements of [Form 5601](#).

Note 3: Includes 18,176 finalised liquidations (4,118 court; CVL 14,058). Excludes 7,800 ongoing liquidations that were not finalised and 688 finalised liquidations without a Form 5603. Appointments with no recorded dividend rate or a recorded rate of zero were included in nil category. They were not excluded from the population or percentage category.

Returns to employee creditors were somewhat higher, reflecting their different statutory ranking. Among finalised liquidations with relevant employee claims:

- › 1,207 liquidations paid a dividend to priority wages/superannuation creditors, representing 13.6% of liquidations where this class of priority claims existed. The total dividend paid was \$46.8 million, and the median dividend rate was 96.9 cents in the dollar (where a dividend was paid).
- › 439 liquidations paid a dividend to priority leave creditors, representing 9.5% of liquidations where there this class of priority claims existed. The total dividend paid was \$21.8 million, and the median dividend rate was 100 cents in the dollar (where a dividend was paid).
- › 235 liquidations paid a dividend to priority redundancy creditors, representing 6.6% of liquidations where this class of priority claims existed. The total dividend paid was \$20.8 million, and the median dividend rate was 100 cents in the dollar (where a dividend was paid).

FEG payments were reported to have been made to employees in around 9.2% of ongoing and finalised liquidations

Total Fair Entitlements Guarantee (FEG) payments were reported in 2,441 appointments (9.2%), totalling \$438.9 million, with retrenchment payments representing more than half of total FEG payments, followed by leave entitlements. Wage payments accounted for a comparatively small 8.1%: see Table 14.

Across only finalised liquidations, FEG payments were \$13.2 million for wages, \$63.2 million for leave and \$79.6 million for retrenchment.

Table 14: Reported FEG payments, ongoing and finalised liquidations

FEG Category	Number of appointments	Total value	% of total FEG
Wages	1,618	\$35.4m	8.1%
Leave	2,260	\$167.6m	38.2%
Retrenchment	2,155	\$235.9m	53.8%
Total	2,441	\$438.9m	100%

Note 1: Appointment counts overlap for the categories because one liquidation may receive payments across multiple categories.

Note 2: All 26,664 appointments are included. Ongoing and finalised FEG values are first sourced from lodgements of [Form 5603](#) or, where not available, from the most recent [Form 5602](#) lodgements.

Remuneration and cost of a liquidation

Most finalised liquidations reported paid remuneration below \$20,000 and most court liquidations paid no remuneration

Median remuneration paid (excluding disbursements), as reported by registered liquidators in their end-of-administration returns, was \$13,629 (average: \$27,673). Remuneration paid was \$20,000 or less in around 64.9% of appointments, including 17.2% where no remuneration was recorded.

Overall, remuneration was much lower for court liquidation appointments. The median remuneration paid for court liquidation appointments was nil (mean: \$17,139), reflecting that 62.1% of court liquidations resulted in no remuneration being paid. By contrast, the median remuneration for CVLs was \$16,245 (mean: \$30,759), with only 4.0% of CVLs paying no remuneration: see Table 15.

Table 15: Distribution of remuneration paid for finalised court and CVL appointments

Appointment type	Court	CVL	Overall
Nil remuneration reported	62.1%	4.0%	17.2%
\$1–\$10,000	14.0%	20.1%	18.7%
\$10,001–\$20,000	6.1%	35.7%	29.0%
\$20,001–\$50,000	8.5%	25.9%	21.9%
\$50,001–\$100,000	5.3%	9.3%	8.4%
More than \$100,000	4.1%	5.0%	4.8%

Note 1: There were 18,276 appointments where a [Form 5603](#) was lodged. A further 33 appointments show as unknown remuneration and are excluded (five court and 28 CVL), leaving 18,243 appointments. Nil remuneration indicates that no remuneration paid was reported in Form 5603.

A small number of high-remuneration court liquidations accounted for a substantial share of total court liquidation remuneration

Although nil remuneration was reported in 62.1% of finalised court liquidations, the remuneration that was paid was concentrated in fewer high-remuneration appointments. Appointments paying more than \$100,000 accounted for 54.6% of total court liquidation remuneration, compared with 33.3% for CVLs. These included appointments paying more than \$250,000, which accounted for 26.5% of court liquidation remuneration, compared with 13.7% for CVLs: see Table 16.

Overall, just 10.9% of finalised court liquidation appointments accounted for 80% of total court liquidation remuneration (compared to 41.1% of appointments for CVLs).

Table 16: Remuneration paid for court and CVL (finalised liquidations)

Remuneration paid per appointment	Remuneration court	% of total court remuneration	Remuneration CVL	% of total CVL remuneration
\$1–\$10,000	\$2.2m	3.1%	\$18.5m	4.2%
\$10,001–\$20,000	\$3.6m	5.0%	\$71.2m	16.2%
\$20,001–\$50,000	\$11.3m	15.9%	\$112.3m	25.6%
\$50,001–\$100,000	\$15.2m	21.4%	\$90.3m	20.6%
\$100,001–\$250,000	\$20.0m	28.0%	\$85.8m	19.6%
\$250,000+	\$18.9m	26.5%	\$60.3m	13.7%
Total	\$71.2m	100.0%	\$438.4m	100.0%

Note 1: Includes 18,276 appointments where a [Form 5603](#) was lodged: 4,150 court liquidations and 14,126 CVLs. Of these, 3,137 reported no remuneration and 33 had no remuneration category recorded. They were retained but counted as \$0.

Unpaid work was likely in a significant proportion of finalised liquidations

The availability of funding in asset-poor liquidations has been considered in several previous reviews of Australia's corporate insolvency framework. The Parliamentary Joint Committee's 2023 inquiry into corporate insolvency, for example, considered the challenges associated with assetless administrations, including the potential implications for investigations and enforcement. Stakeholders have over time expressed interest in better understanding the extent of unfunded work and how its cost is borne across the insolvency system.

We therefore analysed remuneration approvals, remuneration paid and dividend outcomes to provide an indication of the potential scale of work for which liquidators did not recover remuneration. For this analysis, we assumed that liquidators recovered their remuneration where a dividend was paid, because remuneration is generally paid as a cost of the liquidation before funds are distributed to unsecured creditors.

Of the 18,176 finalised liquidations analysed:

- › 5.3% paid a dividend – we treated these as having sufficient recoveries to meet the liquidator's remuneration
- › 14.9% paid no dividend and had no approved remuneration – these appointments are likely to include work for which remuneration was neither sought nor recovered, particularly in assetless court liquidations
- › 73.2% paid no dividend and remuneration paid was less than the amount approved – many of these appointments are likely to involve work for which the liquidator was not fully paid
- › 6.6% paid no dividend and remuneration paid met the amount approved.

The results indicate that unrecovered remuneration was likely common. In particular, 88.1% of finalised liquidations either had no remuneration approved or paid less remuneration than was approved, without paying a dividend.

The pattern differed between appointment types. Court liquidations were much more likely to have no remuneration approved; at 62.1%, compared with 6.1% of CVLs. This is consistent with court liquidators frequently being appointed to companies with no assets available to fund even the preliminary work required to administer the liquidation. CVLs were more likely to involve remuneration paid below the approved amount; at 80.5%, compared with 48.3% of court liquidations: see Table 17.

The higher proportion of CVLs remunerated below the approved amount should be considered alongside the use of indemnities and upfront payments. Although these funding arrangements were reported in approximately 67.3% of CVLs with an available DIRRI, they generally provided only supplementary funding and did not necessarily cover the approved remuneration of the liquidation.

Table 17: Remuneration recovery indicators for finalised liquidations

Outcome	Overall %	Court %	CVL %
Dividend paid	5.3%	3.8%	5.8%
No dividend, no remuneration approved	14.9%	44.7%	6.1%
No dividend, remuneration paid less than approved	73.2%	48.3%	80.5%
No dividend, remuneration paid equals or exceeds approved	6.6%	3.3%	7.6%
Total appointments	18,176	4,118	14,058

Note 1: Includes 18,176 finalised appointments with [Form 5603](#) lodged (4,118 court appointments and 14,058 CVLs). Where no dividend was paid, was blank or where there were non-numeric remuneration values, these were treated as zero. These matters were then classified according to whether no remuneration was approved, remuneration paid was less than the amount approved, or remuneration paid was equal to or greater than the amount approved.

Across the 13,304 liquidations where no dividend was paid and remuneration paid was below the approved amount, approved remuneration totalled \$542.7 million and paid remuneration totalled \$327.2 million. The \$215.5 million difference provides an indication of the potential scale of remuneration that was approved but not recovered: see Table 18.

Table 18: Approved and paid remuneration in no dividend liquidations

Appointment type	Number of finalised appointments with no dividend	Total approved remuneration	Total paid remuneration	Difference
Court	1,987	\$100.1m	\$40.3m	\$59.8m
CVL	11,317	\$442.5m	\$286.8m	\$155.7m
Combined	13,304	\$542.7m	\$327.2m	\$215.5m

Note 1: Includes 18,176 finalised appointments with [Form 5603](#) lodged (4,118 court appointments and 14,058 CVLs). Of these, 13,304 appointments (1,987 court appointments and 11,317 CVLs) reported no dividend and had approved remuneration greater than the amount paid. Blank or non-numeric paid amounts were treated as zero.

The \$215.5 million difference is not a complete measure of unpaid work. Approved remuneration may include work that was not ultimately performed, while liquidators may undertake work without seeking approval where there are no funds available.

Remuneration represented a greater share of available funds in asset-poor liquidations

We compared remuneration paid with total receipts, gross assets realised and creditor dividends for finalised liquidations with the relevant data. We observed that:

- › the median ratio of remuneration paid to total receipts was 0.92, meaning that remuneration represented around 92.0% of total receipts at the median
- › the median ratio of remuneration paid to gross assets realised was 0.989, meaning that remuneration represented around 98.9% of the gross assets reported as realised at the median, and
- › among appointments that paid a creditor dividend, the median ratio of remuneration paid to total dividends was 1.562, meaning that at the median, \$1.56 in remuneration was paid for every \$1.00 paid in creditor dividends.

The ratio of remuneration to receipts and gross assets generally declined as the amount available in the appointment increased. In appointments with limited receipts or assets, the work required to administer and complete the liquidation necessarily represented a larger share of the available funds. This reflects that certain core tasks must be performed in all liquidations, regardless of the value of assets available, and the costs of those tasks may not reduce in portion to available funds. Where assets were insufficient to meet approved remuneration and costs in full, liquidators may have undertaken unpaid work. In appointments with greater asset realisations, a larger proportion of the available funds could remain for other liquidation expenses and distributions to creditors.

Other costs also impacted the funds available for distribution

Remuneration is not the only cost of conducting a liquidation. Liquidators may also incur expenses for legal services, valuations and sales of assets, property protection and storage, accounting and taxation services, investigations, records management, statutory advertising and other external services.

Across finalised liquidations, reported costs other than liquidator remuneration and trading-related expenses totalled \$418.1 million. The categories available in ASIC's data were:

- **legal fees**, which may relate to advice, litigation, recovery actions and other legal work; \$60.4 million, reported in 11% of appointments
- **property realisation and preservation costs**, including costs associated with securing, maintaining and selling property; \$21.2 million, reported in 14.2% of appointments
- **other costs of realisation**, covering other expenditure incurred in converting assets into cash; \$322.6 million, reported in 47.8% of appointments
- **appointee disbursements**, including expenses separately charged to the administration (such as search costs); \$14.0 million, reported in 42.6% of appointments

Note: Percentages reflect finalised liquidations, where a Form 5603 was lodged (18,176).

These expenses are generally incurred to progress the winding up and may support activities such as investigating claims, pursuing recoveries or realising assets, potentially benefiting creditors. However, insufficient data was available to assess the extent to which the expenses improved creditor returns.

Duration and completion

Most liquidations had been finalised, although later and longer-running appointments were more likely to remain ongoing

As at 30 September 2026, 18,864 appointments had been finalised and 7,800 (29.3%) remained ongoing. Table 19 shows the finalisation rate based on the start date of the liquidation.

Table 19: Liquidation appointments finalised and ongoing by financial year

Financial year commenced	Finalised appointments	Ongoing appointments	Total appointments	% Ongoing
FY22	3,712	408	4,120	9.9%
FY23	4,734	1,040	5,774	18.0%
FY24	5,372	2,251	7,623	29.5%
FY25	5,046	4,101	9,147	44.8%
Total	18,864	7,800	26,664	29.3%

Note: Includes all 26,664 appointments that commenced from FY22 to FY25.

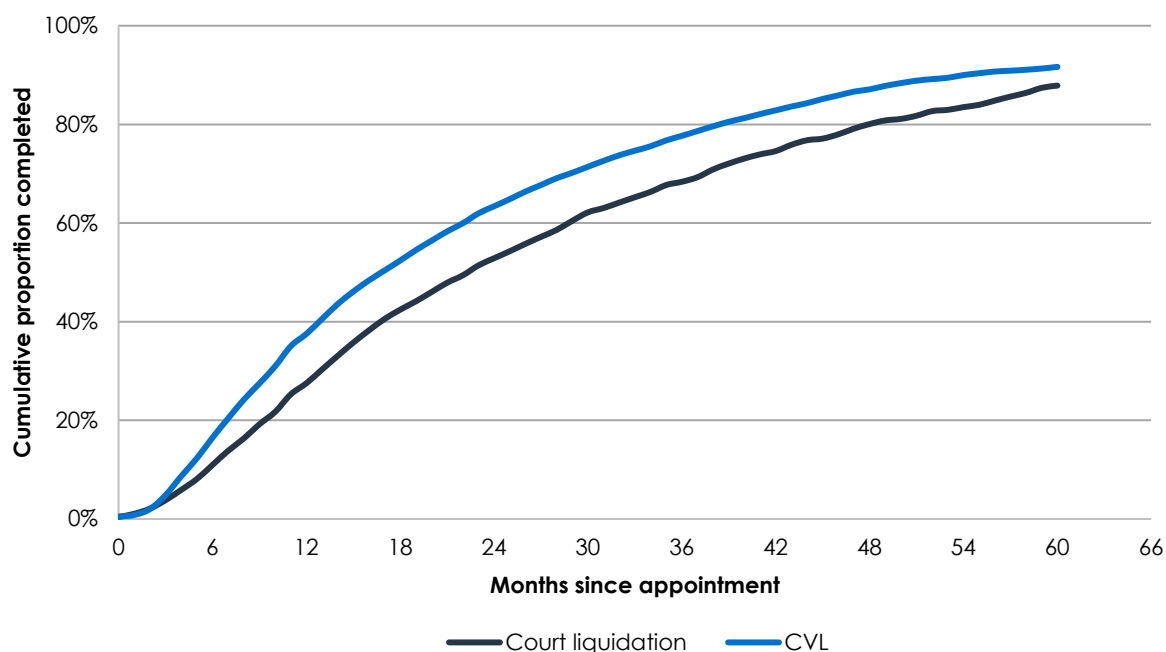
Three in five liquidations were completed within two years

Taking account of appointments that remained ongoing, an estimated 60.7% of liquidations were completed within two years. The estimated completion rate was higher for CVLs than court liquidations at each milestone:

- within 12 months, 37.5% of CVLs and 27.5% of court liquidations were completed
- within 24 months, 63.4% of CVLs and 52.9% of court liquidations were completed, and
- within 36 months, 77.7% of CVLs and 68.4% of court liquidations were completed.

This indicates that CVLs generally completed sooner than court liquidations. The difference was around 10 percentage points after both 12 and 24 months and narrowed slightly by 36 months: see Figure 7.

Figure 7: Estimated proportion of liquidation appointments completed over time



Note 1: See Table 28 in Appendix 3 for the data in this figure (accessible version).

Note 2: The analysis includes ongoing appointments up to 30 September 2026 and treats them as incomplete at that date.

Longer duration was associated with indicators of greater scale and complexity

Liquidations generally took longer when the appointment involved more companies, greater asset realisations, higher liabilities or more creditors. Focusing only on finalised liquidations:

- › the median duration increased from 13 months for single-company appointments to 17 months for appointments involving six to 10 companies
- › appointments realising \$1–\$5 million in gross assets had a median duration of 24.0 months, compared with 11.0 months where no assets were realised
- › appointments with liabilities above \$10 million had a median duration of 20.0 months, compared with 11 months for appointments with liabilities below \$500,000, and
- › appointments involving more than 100 creditors had a median duration of 20.0 months, compared with 11.0 months for appointments involving one to five creditors.

Appendix 1: Background to insolvent liquidations

Insolvent liquidation

Insolvent liquidation is the process of winding up an insolvent company. An independent registered liquidator takes control of the company, investigates its affairs, realises its assets, and distributes any available funds to creditors in accordance with the statutory priority regime.

Following the commencement of liquidation, unsecured creditors generally cannot commence or continue legal action against the company, unless permitted by the court.

There are two types of insolvent liquidation: court liquidation and creditors' voluntary liquidation (CVL).

Court liquidation

In a court liquidation, the court orders that a company be wound up and appoints a liquidator. An application to the court to wind up a company is usually made by creditors, although directors, shareholders and ASIC can also make a winding up application to the court.

A related process, excluded from this review, is a provisional liquidation, where the court appoints a provisional liquidator under the Corporations Act, on an interim basis, to preserve a company's assets while a winding up application is being determined. The provisional liquidation ends when the court either winds up the company or dismisses the winding up application.

Creditors' voluntary liquidation (CVL)

An insolvent company may enter a CVL through several pathways, either directly, or following another external administration process.

Direct entry into liquidation

Direct entry into a CVL is the most common liquidation pathway. It typically begins when:

- › an insolvent company's shareholders resolve to liquidate the company and appoint a liquidator, or
- › creditors vote for liquidation following voluntary administration or a terminated deed of company arrangement.

For more information, see Information sheet 45 *Liquidation: A guide for creditors* ([INFO 45](#)).

Simplified liquidation

A simplified liquidation is a streamlined process available in a creditors' voluntary liquidation where companies meet certain statutory criteria, including having liabilities not exceeding \$1 million.

This report does not cover simplified liquidations. For further information, see [simplified liquidation FAQs](#) and Report 789 *Review of simplified liquidations: 2021–2023* ([REP 789](#)).

More information about liquidations is available at [Wind up an insolvent company](#) and [insolvency resources](#).

Alternative pathways into a creditors' voluntary liquidation

A company may also enter a CVL after an earlier restructuring or external administration process has ended. Below are four examples of liquidation types that follow alternative insolvency processes.

Voluntary administration (VA)

During a VA, creditors may resolve that the company should be wound up rather than returned to the directors' control or enter into a deed of company arrangement (DOCA). In this case, the company entered CVL and the administrator generally becomes the liquidator.

Failed deed of company arrangement (DOCA)

Where a DOCA is terminated, creditors may resolve that the company be wound up and placed into liquidation. This commonly occurs when the company is unable to meet its obligations under the DOCA.

Failed small business restructuring (SBR)

If a restructuring plan is not accepted by creditors, or the restructuring process is terminated, the company may subsequently enter liquidation, typically through a CVL. This may or may not occur immediately, but may occur after some period of time. The winding up is not automatic and must be initiated by the company's directors or members.

Failed members' voluntary liquidation (MVL)

A members' voluntary liquidation is available only to solvent companies. If the liquidator forms the view that the company will be unable to pay its debts in full within 12 months, the liquidator must take steps to convert the administration into an insolvent winding up or appoint an administrator to the company.

Appendix 2: Review methodology

ASIC reviewed structured data from the company register and forms lodged for companies that entered court liquidation and CVL between 1 July 2021 and 30 June 2025. To capture subsequent outcomes, we also reviewed data lodged by these liquidations up to 30 September 2026.

This report does not include data for provisional liquidations, and we have not reported on provisional liquidations separately.

Grouping approach

The review population comprised 29,759 companies that entered liquidation during the review period. Our primary reporting unit is a grouped appointment, rather than an individual company or appointment. Companies are grouped when ASIC records them as part of an existing pooled group. For this review, where no pooled group was recorded, we also grouped appointments where they had the same:

- › liquidation type
- › appointment start date
- › appointment end date (if any)
- › combination of registered liquidators.

This method reduces the risk of double counting where registered liquidators report a single set of financial information across several companies. It also provides a more consistent basis for comparing single-company appointments with appointments involving corporate groups. For the above four categories, financial values are combined within each group, with duplicate identical amounts counted only once. This is intended to reduce duplication where the same group-level figure has been reported against more than one company.

A limitation of this approach is that companies that may be associated, for example, through common directors, were not grouped unless they entered liquidation on the same date, ceased on the same date and had the same registered liquidator or combination of registered liquidators appointed. As a result, some companies that formed part of the same corporate group may be treated as separate appointments in this report. There were 26,664 grouped appointments. In this report we refer to these grouped appointments as 'appointments', unless otherwise stated. See Table 1.

Population

The analysis in the report uses different populations depending on the question considered. Some analysis is based on all grouped CVL appointments, while other analysis is limited to appointments where a particular form was lodged, or a final return was lodged by 30 September 2026. Denominators therefore vary across tables and figures. Where relevant, tables and figures identify the source form and population used.

Most percentages are calculated using the relevant population for each table or figure, excluding records with missing information unless otherwise stated. Appointments may be excluded where a required form was not available for analysis (e.g. due to paper lodgement or matching issues): see Table 20. Averages and medians use the relevant population for that measure. Some medians exclude nil or zero values to show the typical reported liability, contribution, dividend or remuneration amount reported.

Table 20: Form completeness

Form	Number of appointments with a form available	Number of appointments with a form not available	Total
Form 5601 Statutory report by a liquidator to creditors	26,052	612	26,664
Form 531 Copy of declaration of relevant relationship and/or declaration of indemnities	17,561	9,103	26,664
Form 5602 Annual administration return	7,969	N/A	N/A
Form 5603 End of administration return (final returns)	18,276	8,388	26,664

Note 1: For [Form 5601](#), 612 forms were not available. A further 130 forms did not provide an answer to the questions relating to sale of business. Given Forms may not have been complete, they may not reconcile to population of 26,664.

Note 2: [Form 5602](#) count of 7,969 is for where the matter is ongoing.

Primary sources

The analysis in this report is primarily drawn from data reported by registered liquidators in the forms outlined in Table 20 above.

Table 21: Primary sources

ASIC form	Use
Form 505 Notification of appointment or cessation of an external administrator	Appointment and cessation dates, industry and other appointment data
Form 531 Copy of declaration of relevant relationship and/or declaration of indemnities	Director indemnities
Form 5601 Statutory report by a liquidator to creditors	Estimated details of assets and liabilities, including number and value of priority creditors by type of entitlement, what happened to the business, likelihood of dividends to creditors, possible recovery actions, information about the company's business (e.g. whether the business ceased trading before appointment, whether the business was sold or transferred, whether someone else is carrying on the business, offences and recoveries such as insolvent trading)

ASIC form	Use
Form 5602 Annual administration return	Annual administration outcomes, creditor classes and values, dividends paid by class, receipts and payments, and remuneration and disbursements (used if no Form 5603 data lodged) see Multiple forms and financial analysis.
Form 5603 End of administration return (final returns)	End of administration outcomes, creditor classes and values, dividends paid by class, receipts and payments, and remuneration and disbursements

We also considered ASIC [Series 1 and 2 insolvency statistics](#).

If registered liquidators lodged forms amending or cancelling a lodged document by using [Form 106](#) Request to withdraw a lodged document or [Form 492](#) Request for correction, our data does not always include the details of the cancellation or correction.

Multiple forms and financial analysis

Where a measure could be drawn from more than one form, we used the source best suited to the question being analysed. For example, [Form 5601](#) was used for estimates of assets available to creditors, while [Form 5603](#) was used for finalised outcomes and returns reported at the end of the Liquidation. Differences between Form 5601 and Form 5603 figures reflect differences in timing, population and creditor class definitions.

Financial measures such as realised assets, receipts and payments, total liabilities, remuneration and dividends are sourced from Form 5603. Creditor information is taken first from Form 5603, where not available from [Form 5602](#) or if not available, from Form 5601. Estimated creditor information from Form 5601 is not available as a standalone amount but is expected to be included in the published data pack.

For financial analysis, amounts were generally aggregated at the grouped appointment level before calculating totals, averages, medians and percentages. This reduced the effect of inconsistent reporting across multiple related companies.

Total liabilities

Total liabilities were calculated differently depending on the form and purpose of the analysis. Total company liabilities were based on Form 5603 lodged or, where not available from lodgements of the most recent [Form 5602](#) or if also not available, from Form 5601 lodged. For Form 5603, total liabilities were based on reported priority wages and superannuation, priority leave, priority retrenchment, secured, unsecured and deferred creditor values.

In this report, total liabilities are used as a proxy for company size because they were the most consistently reported and reliable measure across forms analysed.

Employees

For employee creditor analysis, we used the Form 5603 priority employee creditor classes: priority wages and superannuation, priority leave and priority retrenchment. Because the same

employee may have claims in more than one employee class, counts were not added across classes. Instead, the employee creditor count was based on the highest reported count across the three classes. Priority employee entitlement values were calculated by adding the reported values for those classes.

Dividends

For dividend analysis, we used actual dividends disclosed in Form 5603 dividend data. We did not report on estimated dividends from other sources. For dividend analysis combined court and CVL remuneration analysis is limited to appointments where final returns were lodged for both appointment types.

Remuneration

For remuneration analysis combined court and CVL remuneration analysis is limited to appointments where final returns were lodged for both appointment types. Remuneration is identified separately and we provided only a high-level review of disbursements data.

Data limitations

The analysis is based on structured data lodged with ASIC. We did not manually review or extract all information contained in unstructured PDF attachments or other documents lodged with forms. Some lodged forms contained errors, inconsistencies or misclassifications. We made assumptions and adjustments where necessary to support consistent analysis, but data quality issues may remain. The figures in this report should therefore be read as ASIC's analysis of available lodged data, not a complete assessment of every feature of each liquidation appointment.

Data presented in this report will not reconcile to ASIC's published statistics (which are primarily based on data about the appointment of external administrators) or other published data. This is because the data in this report is principally based on data extracted from forms lodged by liquidators at the time of this report, and there will be changes over time as further forms are lodged. In addition, ASIC's approach to linking forms to appointments and the assumptions it applies (e.g. the grouping approach) to deal with differences in reporting practices and other matters will evolve over time.

Appendix 3: Accessible versions of figures

Infographic (p. 7): ASIC's review of the court and creditors' voluntary liquidation process (1 July 2021–30 June 2025)

Review population

- › 29,759 companies entered liquidation.
- › 26,664 grouped appointments were identified
- › \$117.2 billion in total liabilities
- › Median liabilities per appointment: about \$479,000 per appointment

Most liquidations involved small companies with few assets

- › 69% reported liabilities below \$1 million
- › Around 90% reported five or fewer employee creditors
- › The median company age was 7 years
- › 50% of finalised liquidations realised no more than \$10,000 in gross assets (25% realised none)

Limited assets constrain liquidator recoveries and creditor returns

- › 46% of finalised liquidations realized no more than 1% of reported liabilities
- › 9% of finalised liquidations reported a voidable recovery (\$20,878 median recovery)
- › 5.3% of finalised liquidations paid a dividend to ordinary unsecured creditors (the median dividend was 9.8 cents in the dollar)

Court liquidations were more likely to commence with little or no assets

- › 45% had no estimated realisable assets (CVLs had 26% of estimated realisable assets)
- › 56% reported a ROCAP received by the end of the liquation (for CVLs it was 93%)
- › 70% of finalised court liquidations realised no more than 1% of reported liabilities (for CVLs it was 39%)

Many liquidations relied on external funding and showed indicators of unrecovered remuneration

- › 67% of CVLs with an available DIRRI reported an indemnity or upfront payment (the median indemnity or upfront payment was \$11,000)
- › 73% paid no dividend and reported remuneration paid below the approved amount

Simplified liquidation uptake remained very low

- › Only 8 simplified liquidations in 2024-25, equivalent to 0.2% of CVLs reporting liabilities not exceeding \$1 million

Table 22: Liquidation appointments and liquidation rate relative to the corporate population (FY00–FY26)

Financial year	Companies entering liquidation	Number of companies registered	% of companies registered
FY00	2,205	1,196,114	0.18%
FY01	3,081	1,224,483	0.25%
FY02	3,271	1,251,237	0.26%
FY03	3,406	1,299,985	0.26%
FY04	3,669	1,359,305	0.27%

Financial year	Companies entering liquidation	Number of companies registered	% of companies registered
FY05	3,875	1,427,573	0.27%
FY06	4,580	1,480,684	0.31%
FY07	4,679	1,572,054	0.30%
FY08	5,236	1,645,805	0.32%
FY09	6,637	1,700,891	0.39%
FY10	6,402	1,768,526	0.36%
FY11	6,990	1,839,772	0.38%
FY12	7,946	1,921,545	0.41%
FY13	7,976	2,012,241	0.40%
FY14	7,416	2,118,666	0.35%
FY15	7,053	2,245,362	0.31%
FY16	7,699	2,372,444	0.32%
FY17	6,285	2,500,400	0.25%
FY18	6,135	2,616,707	0.23%
FY19	6,333	2,704,120	0.23%
FY20	5,482	2,784,531	0.20%
FY21	3,099	2,915,869	0.11%
FY22	3,748	3,085,696	0.12%
FY23	5,490	3,227,416	0.17%
FY24	7,168	3,388,868	0.21%
FY25	9,032	3,564,300	0.25%
FY26	9,560	3,747,130	0.26%

Source: ASIC [Series 1 and 2 insolvency statistics](#).

Note 1: This table shows data contained in Figure 1.

Note 2: FY26 includes data from 1 July 2025 to 30 June 2026. FY26 is outside the review period because insufficient time has elapsed to assess the outcomes of liquidations commencing in that year.

Table 23: Court liquidations and CVLs by financial year (FY00–FY26)

Financial year	Provisional liquidation	Court liquidation	CVL	% of liquidations which are CVLs
FY00	102	1,412	691	31.3%
FY01	130	1,854	1,097	35.6%
FY02	98	2,279	894	27.3%
FY03	43	2,160	1,203	35.3%
FY04	60	2,329	1,280	34.9%

Financial year	Provisional liquidation	Court liquidation	CVL	% of liquidations which are CVLs
FY05	75	2,291	1,509	38.9%
FY06	63	2,727	1,790	39.1%
FY07	51	2,653	1,975	42.2%
FY08	32	2,472	2,732	52.2%
FY09	40	2,915	3,682	55.5%
FY10	17	2,446	3,939	61.5%
FY11	15	2,638	4,337	62.0%
FY12	25	3,180	4,741	59.7%
FY13	16	2,965	4,995	62.6%
FY14	17	2,971	4,428	59.7%
FY15	9	2,499	4,545	64.4%
FY16	34	3,425	4,240	55.1%
FY17	50	2,432	3,803	60.5%
FY18	25	2,189	3,921	63.9%
FY19	26	2,311	3,996	63.1%
FY20	9	1,743	3,730	68.0%
FY21	34	450	2,615	84.4%
FY22	8	721	3,019	80.5%
FY23	9	1,081	4,400	80.1%
FY24	49	2,118	5,001	69.8%
FY25	106	2,762	6,164	68.2%
FY26	30	3,144	6,386	66.8%

Source: ASIC [Series 1 and 2 insolvency statistics](#) for liquidation appointments.

Note 1: This table shows data contained in Figure 2.

Note 2: FY26 includes data from 1 July 2025 to 30 June 2026. FY26 is outside the review period because insufficient time has elapsed to assess the outcomes of liquidations commencing in that year.

Table 24: Distribution of liquidations by value of creditor liabilities

Total creditor liabilities	CVL appointments	% of CVL appointments	Court appointments	% of court appointments
\$0	129	0.7%	202	2.9%
\$1 to \$250,000	5,970	30.4%	2,156	30.7%
\$250,001 to \$500,000	3,955	20.1%	1,172	16.7%
\$500,001 to \$1m	3,540	18.0%	1,331	19.0%
>\$1m to \$5m	4,500	22.9%	1,583	22.5%
>\$5m to \$10m	665	3.4%	257	3.7%

Total creditor liabilities	CVL appointments	% of CVL appointments	Court appointments	% of court appointments
More than \$10m	789	4.0%	289	4.1%
No recorded liability	93	0.5%	33	0.5%
Total	19,641	100.0%	7,023	100%

Source: [Form 5603](#), [Form 5602](#) and [Form 5601](#).

Note 1: This table shows data contained in Figure 3.

Note 2: Total appointments were 26,664 for all liquidations: 7,023 for court liquidations and 19,641 for CVLs. There were no recorded liabilities for 33 court appointments and 93 CVLs.

Note 3: Creditor values are first sourced from lodgements of [Form 5603](#) or, where not available from the most recent [Form 5602](#) or, if also not available, from [Form 5601](#) lodgements.

Table 25: Company age at commencement of liquidation

Company age (years)	Number of appointments	% of total
Less than 1 year	223	0.8%
1 to 3 years	5,491	20.6%
4 to 5 years	4,701	17.6%
6 to 10 years	8,566	32.1%
More than 10 years	7,683	28.8%
Total	26,664	100.0%

Source: [Form 505](#).

Note 1: This table shows data contained in Figure 4.

Note 2: The calculation of years from registration to liquidation date uses the earliest date of registration.

Note 3: These figures represent appointment volumes, not the risk of insolvencies based on age, as the population of active companies is not included.

Table 26: Sale and continuation of businesses in liquidation (where Form 5601 was lodged)

Accessible version of Figure 5 flow chart

There were 25,922 appointments where registered liquidators reported on the business. Of these, the outcomes were as follows:

- › Business ceased prior to appointment: 22,944 (88.5%)
- › Business was ongoing: 2,978 (11.5%)

Of the 22,944 appointments where the business ceased prior to appointment, the outcomes were as follows:

- › Business was sold prior to appointment: 3,674 (16.0%)
- › Business was not sold prior to appointment: 19,270 (84.0%)

Of 3,674 appointments where the business was sold prior to appointment, the outcomes were as follows:

- › Business was carried on by someone else: 3,443 (93.7%)
- › Business was not carried on by someone else: 231 (6.3%)

Of 19,270 appointments where the business was not sold prior to appointment, the outcomes were as follows:

- › Business was not carried on by someone else: 18,827 (97.7%)
- › Business was carried on by someone else: 443 (2.3%)

Source: [Form 5601](#).

Note 1: This table shows data contained in Figure 5.

Note 2: Figure 5 starts with 25,922 appointments, rather than all 26,664 appointments in the review population. The difference mainly reflects CVLs that followed voluntary administration. Percentages are calculated using valid responses to each [Form 5601](#) question and exclude unknown responses and appointments without the relevant Form 5601 data.

Note 3: The flow chart presents responses to separate Form 5601 questions and does not show that one reported circumstance caused or led to another.

Note 4: Of the 2,978 appointments involving an ongoing business, the relevant question was answered in only 101 forms. Of these, 22 reported that the business was being carried on by another person.

Table 27: Dividend rate for unsecured creditors for finalised liquidations

Dividend rate	% appointments court	% of appointments CVL
Nil	96.3%	94.3%
> 0 to 10 cents in the dollar	1.0%	3.1%
>10 to 25 cents in the dollar	0.7%	1.4%
>25 to 50 cents in the dollar	0.5%	0.6%
More than 50 cents in the dollar	1.6%	0.6%
Eligible finalised matters	4,118	14,058

Source: [Form 5601](#), [Form 5603](#).

Note 1: This table shows data contained in Figure 6.

Note 2: Creditor values are first sourced from lodgements of Form 5603, or where not available from most recent [Form 5602](#) or, if also not available, from Form 5601 lodgements.

Note 3: Includes 18,176 finalised liquidations (4,118 court; CVL 14,058). Excludes 7,800 ongoing liquidations that were not finalised and 688 finalised liquidations without a Form 5603. Appointments with no recorded dividend rate or a recorded rate of zero were included in nil category. They were not excluded from the population or percentage category.

Table 28: Estimated proportion of liquidation appointments completed over time

Months since appointment	Court – cumulative completion	CVL – cumulative completion	Overall – cumulative completion
0	0.4%	0.5%	0.5%
1	1.1%	0.8%	0.9%
2	2.1%	2.0%	2.1%
3	3.8%	4.9%	4.6%
4	5.9%	8.7%	8.0%
5	8.1%	12.3%	11.2%
6	11.0%	16.5%	15.1%
7	13.9%	20.4%	18.7%
8	16.4%	24.2%	22.1%
9	19.2%	27.5%	25.3%
10	21.7%	31.0%	28.5%
11	25.3%	35.0%	32.5%
12	27.5%	37.5%	34.9%

Months since appointment	Court – cumulative completion	CVL – cumulative completion	Overall – cumulative completion
13	30.3%	40.6%	37.9%
14	33.1%	43.6%	40.8%
15	35.8%	46.1%	43.4%
16	38.2%	48.4%	45.7%
17	40.6%	50.4%	47.8%
18	42.4%	52.4%	49.8%
19	44.1%	54.5%	51.8%
20	46.0%	56.4%	53.7%
21	47.9%	58.3%	55.6%
22	49.4%	60.0%	57.2%
23	51.4%	62.0%	59.2%
24	52.9%	63.4%	60.7%
25	54.3%	64.8%	62.1%
26	55.8%	66.4%	63.6%
27	57.2%	67.7%	65.0%
28	58.6%	69.1%	66.4%
29	60.5%	70.2%	67.7%
30	62.2%	71.4%	69.0%
31	63.1%	72.6%	70.1%
32	64.2%	73.7%	71.3%
33	65.3%	74.6%	72.2%
34	66.3%	75.6%	73.2%
35	67.7%	76.7%	74.4%
36	68.3%	77.7%	75.3%
37	69.3%	78.6%	76.3%
38	70.9%	79.6%	77.4%
39	72.0%	80.5%	78.4%
40	73.1%	81.2%	79.2%
41	73.9%	82.1%	80.0%
42	74.6%	82.8%	80.8%
43	75.9%	83.6%	81.6%
44	76.8%	84.3%	82.4%

Months since appointment	Court – cumulative completion	CVL – cumulative completion	Overall – cumulative completion
45	77.1%	85.1%	83.1%
46	78.0%	85.9%	83.9%
47	79.2%	86.6%	84.8%
48	80.1%	87.1%	85.3%
49	80.8%	87.8%	86.1%
50	81.1%	88.3%	86.6%
51	81.8%	88.8%	87.1%
52	82.7%	89.1%	87.6%
53	83.0%	89.3%	87.8%
54	83.5%	89.9%	88.3%
55	84.0%	90.3%	88.7%
56	84.9%	90.6%	89.2%
57	85.7%	90.8%	89.6%
58	86.5%	91.0%	89.9%
59	86.8%	91.2%	90.2%
60	87.3%	91.4%	90.5%

Source: [Form 505](#)

Note 1: This table shows data contained in Figure 7.

Note 2: The analysis includes ongoing appointments up to 30 September 2026 and treats them as incomplete at that date.

Key terms and related information

Key terms

antecedent transaction (or voidable transaction)	A transaction entered into by a company before liquidation that may be reviewed by a liquidator and, in some circumstances, recovered or set aside by a liquidator under Part 5.7B of the <i>Corporations Act</i> . Antecedent transactions include unfair preferences, uncommercial transactions, unfair and unreasonable director-related transactions, and are intended to protect the equitable distribution of assets among creditors
appointments	The unit of analysis used in this report. An appointment may comprise one company or several companies grouped using the approach explained in Appendix 2. Grouping for analysis does not, of itself, mean that the companies' assets and liabilities were legally pooled
asset	Any property owned by a person or company, including tangible and intangible assets
ATO	Australian Taxation Office
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
company group	Two or more companies treated as a single grouped appointment for this report under the methodology in Appendix 2. This analytical grouping does not necessarily correspond to a corporate group or a legally pooled liquidation
court liquidation	A liquidation that starts as a result of a court order, made after application to the court, usually by a creditor of the company
creditor	A person who is owed money
CVL	Creditors' voluntary liquidation
data	Structured data that is stored in a predefined format and can be easily extracted electronically
DIRRI	Declaration of independence, relevant relationships and indemnities from Form 531 <i>Copy of declaration of relevant relationships and/or declaration of indemnities</i>
DOCA	Deed of company arrangement, which follows from a voluntary administration under Part 5.3A of the <i>Corporations Act</i> where creditors accept a proposal that specifies how the company's affairs, property and debts will be dealt with as an alternative to an immediate winding up

external administrators	A defined term for a registered liquidator formally appointed to control the affairs of a company and its property. Includes a provisional liquidator, liquidator, voluntary administrator and an administrator of a DOCA. It also includes a restructuring practitioner for a company and for a restructuring plan, even though they do not control the affairs of the company. It does not include receivers or controllers
FEG	The Fair Entitlements Guarantee an Australian Government payment scheme administered by the Department of Employment and Workplace Relations to assist employees who have lost their jobs as a result of their employer's liquidation or bankruptcy and are owed employee entitlements. The FEG operates in relation to claims for assistance for certain unpaid entitlements for all employer liquidations and bankruptcies that occur on or after 5 December 2012
finalised liquidation/finalised	A liquidation appointment recorded as completed by the data cut-off date. Analysis of finalised outcomes is limited to appointments with the relevant reported data available, as specified in each table or figure
FY	Financial year ending 30 June. Throughout this report, reference to financial year refers to liquidations that commenced in that financial year. For example, FY25 refers to the period 1 July 2024 to 30 June 2025.
gross assets	Gross assets are gross actual and estimated future realisations of company assets as shown in the Form 507 Report on company activities and property and excludes recoveries, trading receipts, third party funding and indemnities. Examples include pre-appointment asset categories such as plant and equipment, bank accounts, motor vehicles, inventory, real property and other asset categories described in Form 507. Liquidators report details of assets in Form 5602 and Form 5603 . Further information can be found in Form 5602 User Guide .
information	Unstructured data that has no predefined format and requires manual collection processing or analysis
INFO 29 (for example)	An ASIC information sheet (in this example numbered 29)
Insolvent trading/insolvent trading claim	A company is insolvent if it cannot pay all its debts when they are due and payable. A director of a company has a duty to prevent their company trading and incurring debts if it is insolvent. There are various penalties and consequences under the Corporations Act for insolvent trading, including civil penalties, compensation proceedings and criminal charges.
liquidator	A person appointed to administer the liquidation of a company
pooling	The treatment of the assets and liabilities of two or more companies together under the statutory pooling framework. This is distinct from grouping companies for the statistical analysis in this report.

registered liquidator	A suitably qualified person registered by ASIC to practise as a registered liquidator. Only registered liquidators can act as an external administrator of companies – other than in a solvent members' voluntary liquidation of a proprietary company
review period	1 July 2021 to 30 June 2025
Report on Company Activities and Property (ROCAP)	An approved form required to be completed by the directors and secretary of a company in liquidation, voluntary administration or receivership, giving details of the company's assets and liabilities
total population	The 29,759 companies (court 7,762 and CVL 21,997) that commenced during the review period
total receipts	Reflects all funds received into the liquidation bank account including realisations from company assets, liquidator recoveries and third-party funding.
uncommercial transaction	A transaction that was unreasonable for a company to have entered into. It may be set aside by the company's liquidator provided it occurred within two years prior to the winding up, and when the company was insolvent or if the company became insolvent by entering into the transaction
unfair preference	A payment made or other benefit given to a creditor by an insolvent company that causes the creditor to be in a more favourable position than other unsecured creditors in a liquidation. The company's liquidator can seek to recover an unfair preference provided it occurred within six months prior to the liquidation, and when the company was insolvent or if the company became insolvent by making the payment or giving the benefit
voluntary administration (VA)	A formal insolvency appointment aimed at rehabilitating a company or its business or producing a higher return for creditors than an immediate liquidation: see Part 5.3A of the Corporations Act
winding up order	A court order for the winding up of a company (liquidation). The first step in a court liquidation, usually made after an application by a creditor

Related information

Headnotes

admissible creditor claims, cash flow projections, court liquidation, creditors, creditors' voluntary liquidation, directors, dividends, external administration, registered liquidator, remuneration, simplified liquidation, small business, state of incorporation, trading profits, unrelated creditors

Information sheets

[INFO 29](#) *Flowchart 2: Liquidator in a creditors' voluntary winding up*

[INFO 29](#) *Flowchart 2A: Liquidator in a creditors' voluntary winding up (simplified liquidation process)*

[INFO 29](#) *Flowchart 3: Liquidator in a court-ordered winding up*

[INFO 29](#) *Flowchart 4: Liquidator in a provisional liquidation*

[INFO 29](#) *Flowchart 7: Voluntary administration or DOCA to a creditors' voluntary winding up*

[INFO 29](#) *Flowchart 12: Pooling*

[INFO 39](#) *Insolvency information for directors, employees, creditors and shareholders*

[INFO 42](#) *Insolvency for directors*

[INFO 45](#) *Liquidation: A guide for creditors*

[INFO 46](#) *Liquidation: A guide for employees*

[INFO 80](#) *How to interpret ASIC insolvency statistics*

[INFO 153](#) *How ASIC deals with reports of misconduct*

[INFO 151](#) *ASIC's approach to enforcement*

Regulatory Guides

[RG 217](#) *Duty to prevent insolvent trading: Guide for directors*

Reports

[REP 836](#) *Review of voluntary administration and deed of company arrangement process: 2021–2025*

[REP 789](#) *Review of simplified liquidations: 2021–2023*

[REP 129](#) *Review of s439A reports for voluntary administrations*

Legislation

Corporations Act 2001

Corporations Regulations 2001

Media releases

[26-144 MR](#) *ASIC review provides new insights into voluntary administration and deed of company arrangement outcomes*

[08-124 MR](#) *ASIC review of voluntary administration*

ASIC forms

[Form 505](#) *Notification of appointment or cessation of an external administrator*

[Form 507](#) *Report on company activities and property*

[Form 509D](#) *Notice of special resolution to wind up company*

[Form 531](#) *Copy of declaration of relevant relationships and/or declaration of indemnities*

[Form 5011](#) *Copy of minutes of meeting*

[Form 5601](#) *Statutory report by a liquidator to creditors*

[Form 5022](#) *Outcome of proposal to creditors or contributories*

[Form 5602](#) *Annual administration return*

[Form 5603](#) *End of administration return*

ASIC user guides and lodgement information

[Lodging forms in structured data](#)

[User guide: Preparing Form 5602](#)