

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into corporate insolvency

2022 - 2023

Division: Market Conduct Division
Topic: Harmonisation of insolvency regimes
Reference: Written
Senator: Deborah O'Neill

Question:

A number of submitters to the inquiry have supported the harmonisation of the personal and corporate insolvency regimes, whether it be by providing a level of synchronisation across the current legislation, or by introducing a new 'Insolvency Act'.

- a. What benefits or disadvantages might there be to this approach?
- b. Can you foresee any impediments from a government administration and implementation perspective to this?
- c. What regulatory impact would this have?
- d. Would it necessitate the consolidation of both regimes into one portfolio?
- e. Would additional resources need to be committed to facilitate such a change?

Answer:

Treasury has not explored the idea of harmonisation in detail but anticipates that there would be a range of potential benefits and costs. Given the complex nature of these two systems, these questions would be best addressed through more comprehensive analysis.