

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into corporate insolvency

2022 - 2023

Division: Market Conduct Division
Topic: Effectiveness of changes to corporate insolvency framework
Reference: Written
Senator: Deborah O'Neill

Question:

Your submission goes through changes to the corporate insolvency framework since 2016. Aside from the insolvent trading safe harbour regime, has any analysis or consultation been undertaken to evaluate the effectiveness of any of these changes?

Answer:

No formal reviews have been conducted of corporate insolvency reforms enacted since 2016 other than the review of the insolvent trading safe harbour.

An independent review of most of the illegal phoenixing reforms (Schedules 1, 3 and 4 of the *Treasury Laws Amendment (Combating Illegal Phoenixing) Act 2020*) is required to be conducted as soon as practicable after 17 February 2025 (5 years after the Act received Royal Assent). As these reforms only apply to conduct and transactions which occur after the reforms commenced, a review after 5 years will likely be more effective than an earlier review where there may be insufficient data and experience of the reforms.

Treasury receives feedback regarding the effectiveness and operation of recent reforms through its ongoing stakeholder engagement with industry and other Government agencies.