

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Australian Securities and Investment Commission

Question No: 243

Topic: ASIC powers - Dealing with registered liquidators

Reference: Hansard page 12 (02 March 2017)

Senator: Whish-Wilson, Peter

Question:

Senator WHISH-WILSON: Is there any evidence of cases being rapidly wound up before these laws come

into play? I understand the Gunns liquidation has recently wound up.

Mr Price: Remember, the changes that I am referring to that commenced on 1 March are actually in respect of

the registration of people who want to become registered liquidators, or disciplinary processes in respect of those

people. In that sense, I do not believe there would be a commercial dynamic to wind up administrations, because

it is more narrowly focused.

Senator WHISH-WILSON: But by September?

Mr Price: By September—that is an interesting question. I would like to go away and reflect on that.

Senator WHISH-WILSON: Please do.

Answer:

Elements of the Insolvency Law Reform Act 2016 that commenced on 1 March 2017 relate mostly to amendments to the registration and discipline of registered liquidators.

The elements of the reform that amend the conduct of external administrations commence on 1 September 2017.

We are not aware of evidence suggesting undue haste in completing administrations driven by the balance of reforms commencing on 1 September 2017.

The transitional arrangements to the legislation are complex. We understand that much of the reforms will also apply to external administrations that remain ongoing at 1 September 2017.

We have undertaken some analysis of the time companies remain under external administration as part of our assessment of registered liquidator risk. We intend continuing to monitor this aspect as part of our surveillance.