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11 July 2003

The Secretary,
Parliamentary Joint Committee on Corporations and Financial Services,
Room SG. 64,
Parliament House,
CANBERRA ACT 2600

By email to: corporations.joint@aph.gov.au

Dear Sir or Madam,

Inquiry into Australia's Insolvency Laws

We write on behalf of the members of the Australian Finance Conference (AFC).

The AFC is the national finance industry association. A list of our members is attached. Our members provide finance to small to medium sized businesses for a range of purposes including finance for the acquisition of land, plant and equipment and for working capital.

This submission covers 2 main topics of concern to AFC members:

- Proposals to introduce a maximum priority rule for employee entitlements, and
- Registration of charges over motor vehicles under the Corporations Act 2001.

Our members are also concerned about the application of "controllers" provisions to financiers exercising contractual rights against defaulting corporations; as well as the disappearance of financed assets upon a corporation putting itself into voluntary administration. These issues are not addressed in this submission but will be the subject of a separate submission.

Part 1: Employee Entitlements

The issue is one of finding an appropriate method of protection for employee entitlements, which at the same time engenders in the employer corporation the responsibility for the protection of those entitlements.

Maximum Priority for Employee Entitlements

AFC is of the view that the maximum priority rule does not achieve this.

We attach our submission of 16 September 2002 on this issue. The submission was made in response to a Treasury Discussion Paper that canvassed a proposal to give maximum priority to employee entitlements over secured assets in cases of company liquidation.

AFC supports a policy of protection of employee entitlements but we believe that giving such entitlements priority over secured creditors is not an appropriate solution.

AFC opposes the maximum priority rule proposal on the basis that it will:

- Adversely affect the availability of credit especially to growing businesses,
- Result in increased borrowing costs to compensate financial institutions for the increased lending risk,
- Require financiers to intrude into and even oversee the business operations of their corporate customers, and
- Lead to company and/or financial transaction structuring to avoid exposure to loss of priority.

The General Employee Entitlements Scheme (GEERS)

AFC favours continuance of the current GEERS scheme. Under the GEERS scheme employees unpaid wages, accrued annual leave, accrued long service leave, accrued pay in lieu of notice and up to 8 weeks redundancy entitlements are protected. We appreciate that this protection is at the expense of floating charge and unsecured creditors and the taxpayer. However, we do not believe that replacing the taxpayer with secured creditors is the appropriate solution, given the major disruption to business lending that will result.

In addition, a feature of GEERS, which we support, is that payments made under it are capped at an annual income of \$81,500. There are benefits in terms of certainty in having redundancy and other entitlements capped, particularly if other proposals, such as the maximum priority rule, are tied to the GEERS scheme.

Other Proposals for the Protection of Employee Entitlements

Some other proposals for the protection of employee entitlements have been put forward including the establishment of industry trust funds to secure the accrued entitlements of workers, employer insurance to cover the value of employee entitlements, a levy on employers and funding options for liquidation recovery actions.

AFC has reservations about the insurance scheme outlined in the Employee Protection (Employee Entitlements Guarantee) Bill 2003. AFC is concerned that even if an insurance product was available, that such a product would be very costly for business. This is especially so if, as proposed in the Bill, 100% of employee entitlements were protected.

We also have reservations about the Corporate Responsibility and Employment Security Bill 2001, which also sought to protect 100% of employee entitlements including superannuation, redundancy and severance pay entitlements. We consider it necessary for the reasons of economic efficiency to be able to quarantine the business activities of one corporation from another. We see this Bill as providing a disincentive for the development of entrepreneurial business activities within a corporate group.

PART 2: REGISTRATION OF SECURITIES TAKEN OVER MOTOR VEHICLES ON THE COMPANY CHARGES REGISTER

The registration of securities taken over motor vehicles is not a topic canvassed in the Issues Paper. However, we raise it because it is an issue that is related to the rights of creditors and in particular the efficient protection of those rights.

AFC members lend to corporations to assist them in acquiring motor vehicles. This is done by way of lease, hire purchase and more frequently by chattel mortgage. Our concerns relate to the provision of finance by way of chattel mortgage.

Duplication of Registers

Where a charge is created over a motor vehicle the charge requires registration under s.262 of the Corporations Act. The difficulty is that there is separate legislation in all States and Territories, which also requires the registration of charges under the particular legislation.

The relevant State and Territory law is found in;

- Registration of Interests in Goods Act 1986 (NSW)
- Chattel Securities Act 1987 (Vic)
- Motor Vehicle and Boats Securities Act 1986 (Qld)
- Chattel Securities Act 1987 (WA)
- Goods Securities Act 1986 (SA)
- Motor Vehicles Securities Act 1984 (Tas)
- Registration of Interests in Goods Act 1990 (ACT)
- Registration of Interests in Motor Vehicles & Other Goods Act 1989 (NT)

The State and Territory legislation establishes registers, commonly known as either a vehicle securities register (VSR) or registers of encumbered vehicles (REVs), depending on the jurisdiction. For simplicity we will refer to them as “the REVs Laws” and “the REVs Registers”.

Registration on both the Company Charges Register and the REVs Registers duplicates the security protection process and adds costs for the financial institution’s customer. It can also result in priority conflicts and other inconsistencies as a result of having two laws regulating the same subject matter.

This position is exaggerated in Tasmania where a chattel mortgage over a motor vehicle will be void unless registered under both the Motor Vehicle Securities Act 1984 and the Bills of Sale Act 1900, as well as being required to be registered under the Corporations Act 2001.

Trend towards chattel mortgage financing

This issue has been exacerbated in recent years by a trend towards chattel mortgage financing.

Since the introduction of the GST in 2000 the provision of chattel mortgage finance to corporations has increased. Where finance is provided by way of chattel mortgage it is possible for the taxpayer to claim the input tax credit in the next Business Activity Statement Return after incurring the GST liability. This makes it an attractive financing arrangement for the corporate customer compared to similar chattel financing products, most notably hire purchase. For hire purchase contracts, input tax credits can only be claimed over the life of contract, resulting in a cash flow mismatch.

As a consequence the use of chattel mortgage has increased substantially. A recent survey of our members indicated that around 22% of the non-leasing business in 2002 was conducted by way of chattel mortgage, compared to virtually no chattel mortgage business at the time GST commenced, and around 10% in 2001. Based on this trend, by July 2004 chattel mortgage is likely to account for around one third of non-leasing equipment finance business.

A substantial part of this growth in chattel mortgage financing relates to motor vehicle financing.

Exemptions from Registration on the Company Charges Register

Section 273A already exempts charges which are registrable under Part 2K.2 of the Corporations Act 2001 from registration under other specified laws. The specified laws include bills of sale legislation and legislation regulating stock mortgages, wool and crop liens. The specified laws do not encompass the REVs Laws.

The exemption provided by s.273A reduces the level of duplication for specified laws. It does this by making registration under the other specified laws unnecessary (s. 273(2)) and by making priorities determinable under Part 2K.2 of the Corporations Act 2001.

The REVS Registers

The REVs Laws provide nationally consistent regulation of motor vehicle securities. The laws regulate the priority of security interests. Broadly speaking security interests have priority according to time of registration, unless the security interest holder had notice of a prior unregistered interest.

The REVS Register is an encumbrance register. It applies to all forms of security interests taken over motor vehicles including interests under lease, hire purchase, and chattel mortgage.

The security interest holder's details are registered against the vehicle identification number (VIN) or other vehicle identifiers such as the chassis number. This allows a search against the vehicle as opposed to the vehicle owner - so important when dealing with mobile equipment, the ownership of which is readily transferable.

The REVs Registers effect a national system with all state and territory registers (except Tasmania) being inter-linked. This allows data sharing between the online jurisdictions.

For financial institutions, searches are able to be made online at one entry point across the separate state and territory data bases in a single seamless search. Registration of a security

interest in a motor vehicle can also be done online or using magnetic tape or disk offering convenience and cost reductions for financial institutions.

The cost of registration and searching for financial institutions is small compared to the cost of registration on the Company Charges Register. Currently the lodgment fee for notification of a charge on the Company Charges Register is \$120. Fees for registration of a security interest on the REVs Register vary but are generally below \$10 per registration. For example, the fees in Victoria are \$6 each for batched online and magnetic tape applications to register.

For the general public, searches and inquiries on the REVs Register can be made in most jurisdictions at no cost by telephone.

Proposal

AFC sees benefits in having a single point of registration point for security interests, including chattel mortgages, over motor vehicles. We consider the REVs Register the appropriate place for registration of chattel mortgages given by corporations.

To achieve this AFC proposes amendment of the Corporations Act 2001 to remove from that Act the requirement to register chattel mortgages over motor vehicles, and other vehicles covered by REVs Laws.

This would necessitate the amendment of s.262 of the Corporations Act.

Section 262(1) lists the charges that are required to be registered under the Act. Section 262(1) (d) says:

(1) Subject to this section, the provisions of this Chapter relating to the giving of notice in relation to, the registration of, and the priorities of charges apply in relation to the following charges (whether legal or equitable) on property of a company and do not apply in relation to any other charges:

(d) a charge on a personal chattel, including a personal chattel that is unascertained or is to be acquired in the future, but not including a ship registered in an official register kept under an Australian law relating to title to ships;

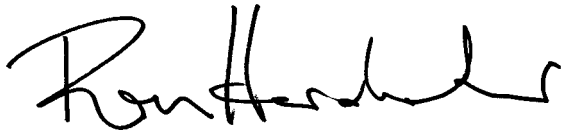
Section 262 (2) sets out those charges to which the Act does not apply.

Such a proposal would:

- Remove regulatory duplication in relation to charges taken over motor vehicles;
- Reduce the cost of registration of the charge for customers of financial institutions;
- Enhance the integrity of the REVs Register; and
- Avoid the potential for processing delays and/or the potential for “clogging up” ASIC’s Company Charges Register due to a significant increase in the number of chattel mortgages taken over motor vehicles.
- Remove the potential for priority conflicts associated with having competing registers.

Thank you for the opportunity to respond to the Inquiry. Should you have any questions about our submission or require further information please call on (02) 9231-5877 or email ron@afc.asn.au, or in my absence, phone or email Alison Tierney, Corporate Lawyer alison@afc.asn.au.

Yours truly,

A handwritten signature in black ink, appearing to read "Ron Hardaker". The signature is fluid and cursive, with the first name "Ron" being larger and more prominent than the last name "Hardaker".

Ron Hardaker
Executive Director

Attachments:

1. AFC Member List
2. AFC Submission to Treasury on the Maximum Priority Scheme

AFC MEMBER COMPANIES

<p>Adelaide Bank AMP Finance API Finance ATSIC Australian Finance Direct Australian Integrated Finance Automotive Financial Services BankWest Baycorp Advantage Bidgee Finance BMW Australia Finance Capital Finance Australia Caterpillar Finance Australia CBFC CIT Financial Citigroup Collection House DaimlerChrysler Financial Services De Lage Landen Dun & Bradstreet Elderslie Finance Corporation Enterprise Finance Solutions Esanda Finance Corporation Focus Capital Group Ford Credit Australia GE Automotive Financial Services GE Capital Heritage Building Society HP Financial Service Integrated Asset Management International Acceptance John Deere Credit Komatsu Corporate Finance</p>	<p>Liberty Financial Lombard Finance Mackay Permanent Building Society Macquarie Leasing ORIX Australia Corporation PACCAR Pioneer Permanent Building Society Profinance RABO Equipment Finance RAC Finance RACV Finance RMG Select Automotive Finance Sharp Finance St. Andrews Insurance St. George Bank Suncorp-Metway Textron Acceptance Corporation The Rock Building Society THLC Finance Toyota Financial Services Victorian Finance & Leasing Volkswagen Financial Services Volvo Finance Westlawn Finance Westpac Wide Bay Capricorn Building Society Yamaha Finance</p> <p><u>Professional Associate Members:</u></p> <p>Experian Finzsoft Solutions Voiceforce</p>
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16 September 2002

Mr Michael Kooymans
Acting General Manger
Corporate Governance Division
The Treasury
Langton Crescent
PARKES ACT 2600

Attention: Mr Andrew Sellers

Fax No: (02) 6263-2770

Dear Mr Kooymans,

**Treasury Department Discussion Paper
Maximum Priority for Employee Entitlements**

Thank you for the opportunity to comment on the proposal to give priority to employee entitlements over secured assets in cases of company liquidation.

The Australian Finance Conference (AFC) is the national finance industry association. Our members include finance companies, banks, building societies, leasing companies and receivables management businesses. A list of members is attached.

We write to you on behalf of our members in their capacity as lenders. Our members are major providers of secured finance to small to medium size companies.

We fully support the objective of ensuring employee entitlements are secure.

We believe this can only be achieved by encouraging companies to make adequate provisioning for employee entitlements. We are strongly of the view that the proposal to give maximum priority to employee entitlements on company liquidation will not achieve this. Rather than being a proposal that encourages good corporate governance, it will operate to relieve companies of responsibility for employee entitlements. That responsibility will then be transferred to the company's lender in times of financial difficulty. Our members find this outcome unreasonable and unacceptable.

The proposal is not likely to modify corporate behaviour, but is likely to have profound

implications for business financing and the national economy. The proposal may result in a contraction in available credit; will almost certainly result in increased borrowing costs to compensate for increased risk and may result in company structuring and some market distortion.

While we appreciate that a substantial proportion of the companies our members lend to may be outside the proposed rule because they will be characterised as small businesses, this does not alleviate our concerns about the proposal.

The proposal will effectively make lenders into corporate watchdogs. Lenders will be forced to watch over borrower company's business and ensure adequate provisioning is made for employee entitlements. This is not their role.

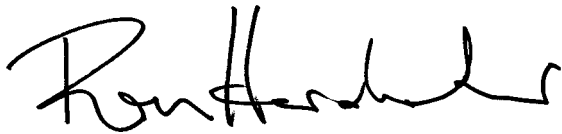
We oppose the proposals and ask Government to reconsider the issue with a view to finding a more appropriate solution.

We do welcome the assurance in the discussion paper that the proposed rule will not apply retrospectively. However, it is unclear how this and other transitional issues relating to the application of the rule are to be resolved. These matters require further consultation.

A more detailed submission is attached. We apologise for its lateness.

If you should wish to discuss this matter further please telephone me on (02) 9231-5877 or in my absence speak to Alison Tierney, Corporate Lawyer.

Yours truly,

A handwritten signature in black ink, appearing to read 'Ron Hardaker', with a stylized, cursive script.

Ron Hardaker
Executive Director

Attachment:
AFC Member List

**Australian Finance Conference Submission
Treasury Department Discussion Paper on Maximum Priority for Employee
Entitlements**

1. Executive Summary

- AFC members consider the proposal to give maximum priority to employee entitlements to be unacceptable.
- The proposal effectively requires financiers to foot the bill for employee entitlements when a company fails. As a general rule, financiers earn returns based upon a margin above their cost of funds. Financiers generally do not share in the profits of successful companies with which they deal (other than through interest margins on borrowings) and it is unreasonable that they should be forced to contribute towards losses.
- However, should Government adopt the proposal AFC supports the exclusion of small business from the rule.
- Large companies should be defined as companies having over 50 employees, and over \$5m in gross assets and \$10 m in gross operating profit.
- There are transitional issues that need to be resolved that are not discussed in the paper eg the issue of retrospectivity and the application of the proposed rule to securities taken out prior to its commencement and advances made under them after its commencement.

2. What is secured financing?

Secured financing is a general term used in the banking and finance industry to refer to financial accommodation provided by a financier which is supported by security over the assets of the borrower.

Secured financing forms the basis of many common forms of financing. Secured financing facilities include overdrafts, term loans, working capital facilities, and chattel mortgages.

With the commencement of GST there has been an enormous growth in chattel mortgage financing to assist with the acquisition of plant and equipment.

In return for an advance of money or other financial accommodation by the financier, the borrower agrees to provide security in the form of a charge or mortgage over its assets and agrees to repay the loan or financial accommodation in accordance with the terms of the particular agreement.

Secured financing is considered to have relatively lower risk, given that in the event of insolvency the financier has first call on the proceeds of sale of the secured asset. Interest rate charges and margins are presently set to reflect this level of risk.

3. Industry View on the Effect of the Proposal

AFC believes the proposal will have an impact on borrowing companies and also on business development and growth of the economy more broadly.

- AFC members believe the proposal will result in a contraction in credit funding for companies subject to the proposal. Such a contraction could result in increased levels of failure among companies which would not be in the best interests of either the national economy or employees.
- Where financiers continue to lend to companies subject to the proposal it is reasonable to expect those companies will experience:
 - increased borrowing costs as interest margins are increased to compensate for increased risk; and
 - increased audit costs as lenders insist on special purpose audit and actuarial reports to ascertain whether the borrowing company is solvent and has adequately provided for employee entitlements.
- The proposal will distort the market for business finance. Once a business grows to the threshold level to be subject to the proposal, financing will be less readily available. Therefore, the proposal will effectively act as a disincentive for small business to expand.
- The proposal will encourage companies confronted by rising financing costs to restructure their businesses, which will defeat the purpose of the proposal. For example, by splitting the ownership of assets and employment of the workforce into separate companies.
- The proposal will give rise to a level of uncertainty and complexity counterproductive to good industry and business practice, and will necessarily restrict the willingness of lenders to provide cheaper debt funds to medium sized companies.
- The changes will result in Australia being out of step with other countries such as the United States. Tighter and more costly funding will reduce any advantage that Australian companies currently have over companies from other countries as they seek to grow and expand internationally.

4. Impact on the ability of medium size companies to obtain finance

To understand the ramifications of the proposal contemplated, it is helpful to set out in an example of the impact of the proposal on a medium size company seeking to obtain finance and how the financier would assess a request for finance should the proposal be accepted.

When a financier assesses the level of funding it is prepared to provide to a company, it will typically look at the realisation value of the company's assets offered as security by way of a fixed charge or mortgage (referred to in this submission as "Fixed Charge Assets"). While financiers may also have security over assets which are subject to a floating charge (eg inventory), financiers would generally not rely on the value of these assets in assessing the request for finance because of the priority which the Corporations Law already provides for employee entitlements.

Financiers then provide finance to the borrower for an amount up to a certain percentage of the value the Fixed Charge Assets, typically, between 50 to 80% of the value of such assets. The amount of finance that the financier is willing to provide will be referred to in this submission as the company's "Borrowing Capacity". When assessing the amount of financial assistance the financier is prepared to provide, financiers do not currently reduce the

borrowing capacity of a company by the amount of employee entitlements. However, if the proposal is implemented, companies can expect a reduction in available finance as financiers reduce the borrowing capacity by the amount of unpaid employee entitlements of the company.

The following example looks at the borrowing capacity for a company before and after implementation of the Proposal. The example provided is based on an actual transport company with approximately 150 employees. For simplicity, we have assumed that the financier would provide finance for 80% of the value of the company's Fixed Charge Assets (which is a realistic assumption). The example shows the borrowing capacity of the company is reduced by 32% under the proposal.

	Current Position	After Proposal
Value of Fixed Charge Assets (eg. plant, equipment, real estate, receivables etc)	\$20,000,000	\$20,000,000
Availability (based on 80% finance)	\$16,000,000	\$16,000,000
Employee Entitlements (150 FTE)	\$5,000,000	\$5,000,000
Employee Entitlements taken into account in determining borrowing capacity	Nil	\$5,000,000
Borrowing capacity (after taking into account Employee Entitlements)	\$16,000,000	\$11,000,000

5. Concerns with the Proposal

a) The Proposal will result in a decrease in available capital to mid-market companies

It is clear from the example that companies seeking secured finance facilities will have a lower borrowing capacity under the proposal than under the present Corporations Act regime.

The proposal will make it more difficult for such companies to retain their existing financing facilities and to obtain additional debt funds for expansion.

In addition, financiers will consider that the proposal adversely impacts their security, and gives rise to increased risks. To compensate financiers for the increased risk arising under the proposal, it is also likely that there will be an increase in pricing in this sector, which can be expected to have an immediate impact on the financial position of the borrowers.

These factors can be expected to adversely impact the growth and employment prospects of such entities. Given the small to medium business sector is a significant driver of Australia's employment and GDP growth, the restrictions on the ability of companies in this sector to raise finance which would arise under this proposal would in our view not be in Australia's best interest.

b) The Proposal discriminates against secured finance facilities

The proposal will make secured finance facilities less attractive, and make transaction structures which don't involve charging the company's assets, more attractive.

Accordingly, to the extent lenders and borrowers can choose to structure around the rules, the objectives of the legislation will not be met. Instead, cost and administrative burdens, and market inefficiencies are introduced with no advantage to employees of insolvent companies.

c) The Proposal creates uncertainty and complexity

A maximum priority rule will introduce inefficiencies and uncertainty into the secured finance environment. The priority arrangements will reduce the transparency of the secured debt market in Australia, reducing the attraction of a very competitive market to all financiers and potentially the attraction of Australia as an investment destination for foreign investors.

i) Scope of Application

For example we are concerned about the scope of the application of the proposed rule as borrowers will have a clear motivation to pursue such structures and these structures may ultimately make the legislation ineffective. For example:

- Borrowers creating service companies to employ staff while leaving assets in a separate borrowing vehicle.

ii) Proportionality rules

- The proposal suggests that where there is more than one secured creditor (which is frequently the case), each creditor would be required to contribute to the employee entitlements proportionally. However, at the time of providing the facility the financier will not be in a position to look into the future and determine how many other lenders may be in a position to share the contribution (eg existing charges may be paid out, or down, or new charges may be entered into over the life of the loan).
- Financiers will be required to reserve the entire amount of the employee entitlements, and the borrowing capacity of the borrower by that amount. It is conceivable that where there are a number of financiers, the total borrowing capacity of the company could be decreased by several times the amount of the actual employee entitlements.

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- Similar considerations arise in respect to proportional sharing of the costs and expenses of realisation.

iii) **Sizing the reserving risk**

- Because financiers will be required to estimate the amount of the employee entitlements at the time of any insolvency of the company and place safeguards on its exposure, financiers are likely to place covenants restricting a borrower's ability to grow its employee base. This places an unnecessary cost and burden on companies which often need to continue to grow to survive.

d) **The Global Environment**

We are concerned that the types of issues commented above will provide a disincentive for global financiers to continue to compete in providing secured finance to medium sized corporates in Australia. Australian companies currently have an advantage over companies in many other countries due to the stability of the Australian economy, and ability to raise finance required for growth. The proposal will result in a reduction in the advantage that Australian companies currently have over companies from other countries as they seek to grow and expand overseas.

6. **Small company exemption**

We support the proposal to exclude small companies from the maximum priority rule.

However, we do have concerns about how the "exemption" will operate in practice.

- We assume that the "small company" test will apply at the time a company becomes insolvent. If this is the case then a small company may with growth become a large company to which the maximum priority rule applies. In such cases, the financier would be exposed to a security gap if it had advanced funds on the basis of no such priority. To manage this risk, a prudent financier would need to impose loan covenants on the borrower. Such covenants may include obligations of continuous reporting of the thresholds, as well as obligations to pay down the loan if the borrower exceeds the thresholds. Such covenants will create complexity and cost and administrative burdens for small to medium sized entities.
- A financier may find it difficult to determine whether a borrowing company is a small company as defined. Financial information may not be up to date at the time of advance, and the financier may instead be relying on the last available audited financial statements. In practice, a financier may have no option but to rely on those financial statements and on representations from the borrower. It is conceivable that to protect its position, a financier may require a detailed audit into a borrower's business over and above what is currently viewed as being necessary both at the application stage and on an ongoing basis. Again this would add to the cost and burden for a company seeking to obtain finance.

Despite these concerns we consider the small company exemption is vital to preserving the market in secured financing and we support its adoption in the event the Government proceeds with the introduction of a maximum priority rule.

To reduce any uncertainty associated with the exemption AFC members prefer option 2 of

the examples set out in the discussion paper. That is, a large company is one having:

- over 50 employees
- \$5 m in gross assets, and
- \$10 m in gross operating revenue.

7. Transitional issues

There are a number of transitional issues that are not addressed in the Discussion Paper and that need to be considered before settling the proposal.

- The guidelines indicate an intention to ensure the proposal is not retrospective. However, much of the secured financing market involves revolving or overdraft facilities under which borrowers constantly repay and redraw advances under their existing facilities. It is unclear how a non retroactive provision will be formulated.
- If the new rule were to **apply to securities entered into after the commencement** of the new rule then this would provide certainty. It would also seem to make sense as priority arrangements under the Corporations Act focus on the nature of the security. But borrowers may act to avoid the new rule, if circumstances allow, by relying on old securities and seeking fresh advances under them.
- If the new rule were to **apply to advances made after the commencement of the new rule regardless of when the security is taken out** then there would be greater uncertainty for lenders. This would place existing revolving secured facilities at a disadvantage compared to fixed secured loans. However, it would smooth out any distortions created by the introduction of the new rule and remove opportunities for structuring.

In AFC's view there is a need for more discussion of such issues.

8. What entitlements would be covered by the proposal?

We wish to confirm that under the proposed rule employee entitlements payable out of secured assets would consist of unpaid wages, accrued annual leave, payment in lieu of notice and long service leave but would not include an amount for redundancy entitlements. In effect, the amount recoverable will be the same as that payable under the General Employee Entitlements and Redundancy Scheme (GEERS) under which is maximum payment is capped based on an annual salary of \$75,200 but excludes an up to 8 week redundancy entitlement.

We note that this differs from the entitlements as set out in s.556(1)(e)-(h) of the Corporations Act 2001 which also covers superannuation contributions, injury compensation and retrenchment payments.
