

# Insolvency Report By Equifax – CY17

## State of the Nation

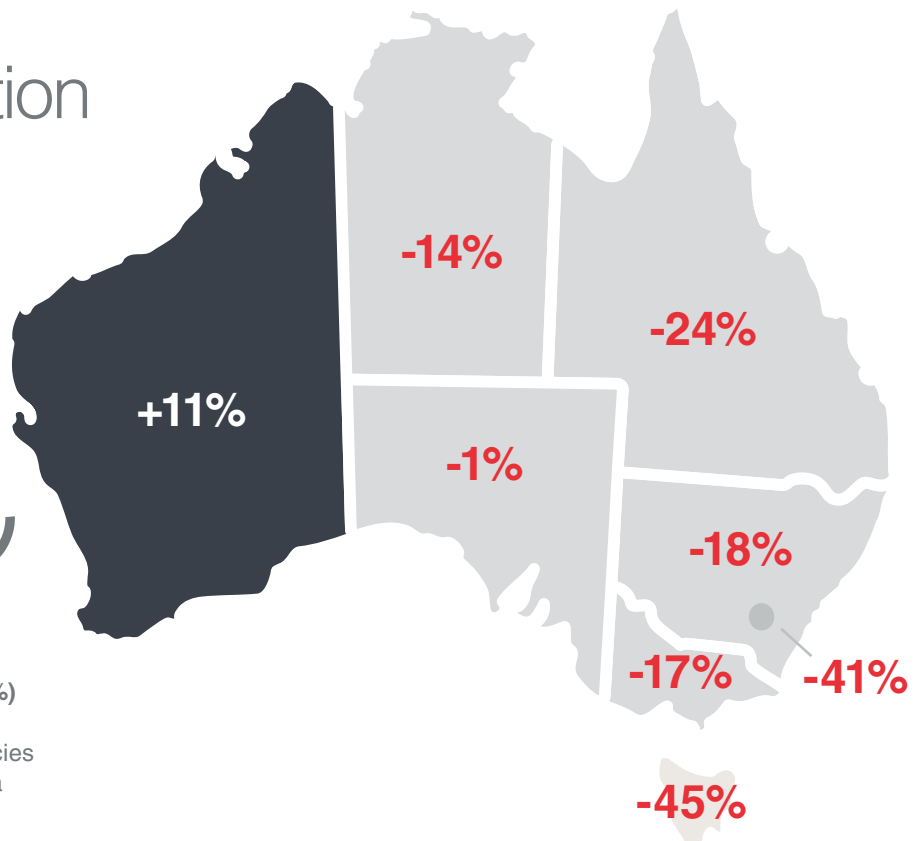
The number of Australian companies entering external administration (ex-ad) **decreased by 20%** year-on-year in Q4 2017

TAS saw the **largest drop** in insolvencies in Q4 2017 (-45%), followed by the ACT (-41%), and QLD (-24%)



Insolvencies **declined at a slower rate** in NSW (-18%), VIC (-17%) and the NT (-14%)

SA saw the **smallest decline** in insolvencies in Q4 2017 (-1%), while WA experienced a **rise** of 11% year-on-year










## Industry Breakdown

The **public administration and safety industry** saw the greatest decline in instances of ex-ad in Q4 2017, **falling 90%** year-on-year



### THIS WAS FOLLOWED BY ...

-  information, media and telecommunications (-75%)
-  manufacturing (-47%)
-  electricity, gas, water and waste services (-42%)
-  mining (-37%)
-  accommodation and food services (-32%)
-  construction (-29%)
-  professional, scientific and technical services (-28%)



**Agriculture, forestry and fishing** experienced the **largest increase** in insolvencies in Q4 2017, rising **48%**, followed by **rental, hiring and real estate** (+27%) and **education** (+22%)

## Time in Business



Companies that had been in business for **20 years** saw the greatest decrease in insolvencies in Q4 2017, with a fall of **53%**



Companies that had been trading for between **1-4 years** were the only group that experienced an increase in insolvencies in Q4 2017, seeing a rise of **19%**



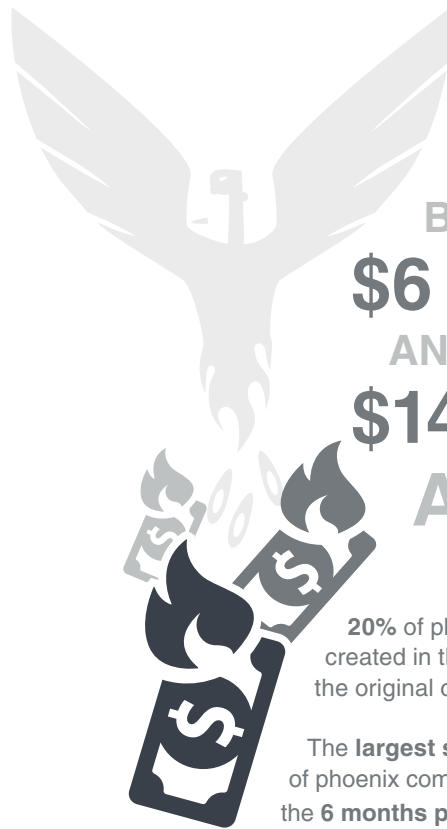
Instances of ex-ad in businesses that had been trading for between **5-9 years (-29%)** and **10-20 years (-22%)** also fell

## Company Size

Large businesses experienced a **decline** in the number of insolvencies in Q4 2017, **falling 18%**



## Phoenix Behaviour



Phoenix behaviour is estimated to cost the Australian economy

**BETWEEN**  
**\$6 BILLION**  
**AND**  
**\$14.2 BILLION**  
**A YEAR.**

20% of phoenix companies are created in the **12 months** prior to the original company's ex-ad event

The **largest spike** in the creation of phoenix companies occurs in the **6 months prior** to ex-ad (**+11.9%**)



### FOR MORE INFORMATION

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