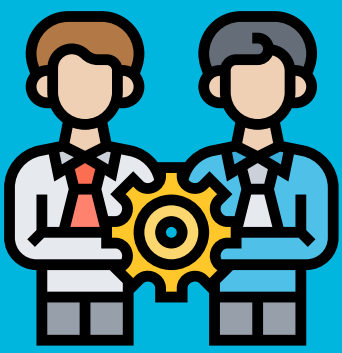


THE NEW SMALL BUSINESS RESTRUCTURING PLAN

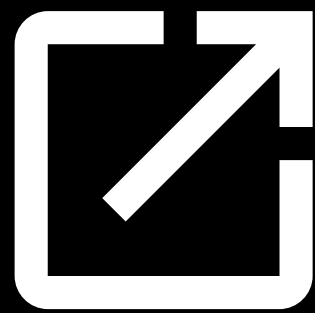
VERSUS

VOLUNTARY ADMINISTRATION

COMPARING INSOLVENCY REGIMES IN AUSTRALIA



Debtor-in-possession model where the business owner(s) remain in control of the company, with the assistance of the restructuring practitioner



Insolvency process where an independent external administrator takes full control of the company to increase returns to creditors



Eligibility requirements, such as liabilities not exceeding \$1 million. Contingent liabilities are excluded

The VA process commences when the directors realise that the company is insolvent, or likely to be soon, and appoint an administrator to 'save' the business



Intended to be a cheaper, quicker and simpler solution for viable businesses



Most suitable for an otherwise viable trading business that has good prospects for a return to profitability



Restructuring practitioners' fees are fixed



The average cost of a voluntary administration is \$80,000