The Sydney Morning Herald

Insolvency

‘Shocking statistic’: Only 10 per cent of liquidators are women. They’re getting impatient

Insolvency was known for an aggressive approach of “kicking down doors, banging tables”. That’s changed, and now there’s a push to boost women’s role in the sector.

By Jessica Yun

SEPTEMBER 23, 2024

KPMG partners Gayle Dickerson and Amanda Coneyworth are two of just 65 female insolvency practitioners in Australia. WOLTER PEETERS

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In some small circles of Australian insolvency practitioners – the corporate undertakers tasked with advising or taking control of businesses on the brink of collapse – there is a saying.

“There are more liquidators with the middle name John than there are women,” says KPMG head of restructuring Gayle Dickerson.

What some might dismiss as a trite statement is backed by the numbers: of 642 registered liquidators in the country, only 65, or 10 per cent, are women.

In the world of corporate Australia where conversations about gender equality have been had and women represent 40 per cent of ASX company boards, the figure has been decried by one of the leading industry bodies as unacceptable.

“It’s just a shocking, shocking statistic,” says Maria O’Brien, chair of Turnaround Management Association (TMA) and head of restructuring and insolvency partner at Clayton Utz.

Even just getting it to double digits has been considered progress. “[While] that dial hasn’t moved significantly, it has shifted from about probably 5 per cent 10 years ago,” says Dickerson, who also sits on the TMA’s board.

The insolvency and restructuring industry is perhaps one of the last professional sectors to formally move itself towards gender expectations fit for a 21st century workplace. A simmering restlessness about the statistic has resulted in action: earlier this month, at a national conference hosted by the Turnaround Management Association, industry leaders banded together to unveil a voluntary code aimed at boosting the presence of women on big insolvency jobs.

The code stipulates that where three or more people from a firm are appointed or recommended as administrators or receivers, at least one woman will be included.

The change is significant: administration, liquidation and receivership work is by nature very public, with high-profile collapses like Virgin, Deliveroo, Bonza, Rex, and Booktopia, to name a few in recent years, garnering media attention. Of the 17 administrators appointed to those companies, just one – Kathleen Vouris from Hall Chadwick on the Bonza job – was a woman.

Having your name on the ticket matters. Without it, you can’t build a profile and become more widely known in the industry, and you don’t win work.

“I’d like to see more than one [name], and one at the end,” says KPMG restructuring partner and registered liquidator Emily Seeckts. “I’d like to be the first name on the list. That would be good.”

The industry response to the code has been extremely positive. At the time of publishing, 27 firms had signed up to the code, including KordaMentha, McGrathNicol, FTI Consulting, Clayton Utz, Cor Cordis, the big four accounting firms and more.

It’s been a long time coming. Although the sector is stuck playing catch-up, the fact that the world around them has moved on acts as a tailwind; with organisations concerned with ethical governance as well as performance, no one seems to oppose the idea of increasing the 10 per cent.

“It’s a huge way to push change in an industry that’s been saying ‘it’s too hard, it’s too hard, it’s too hard’. Well, it shouldn’t be too hard,” says Seeckts. “Find a way to make it work.”

Making new rules

Many of the cultural reasons why change has been slow are not unique to the insolvency and turnaround sector. But one piece of legislation has emerged as a large barrier: an obscure section of the Corporations Act from decades ago requiring that liquidators clock up 4000 hours of experience in the five years before applying to become registered.

The expectation is onerous and impractical, and the five-year time frame is particularly hard for any women who need time off to have a child.

“The 4000 hours requirement does not prorate in any way or extend, technically, for parental leave or for part-time working,” says O’Brien, who says many younger women and TMA members have raised this issue with her.

“If you’re going to have one child, it’s difficult to do your 4000 hours; if you’re going to have two children in that five years … It’s just penal.”

Turnaround Management Association chair and Baker McKenzie partner Maria O’Brien. OSCAR COLMAN

What’s allowed to constitute the 4000 hours is also narrow: only billable work is counted where the practitioner is effectively performing the duties of a registered liquidator in advising on administrations and receiverships.

”That doesn’t include if you’re responsible in your firm for doing all the precedents and the law reform and the training. None of that is caught by the 4000 hours, it’s got to be client-related work,” says O’Brien. “There’s scope, I think, to expand what it includes as well, or to cover some of the stuff that we see women in the firms do often.“

The rule is so antiquated that it appears even the corporate regulator doesn't seem too concerned about enforcing it strictly. "ASIC was made aware that there were exceptions to that, and whilst it's stated as a requirement, it's perhaps viewed as a benchmark instead," Seeckts says.

'You can't be what you can't see'

This adage comes up more than once across different interviews. Much of the reason why female participation has been so slow to improve is because of the simple fact that taking control of a collapsed business was once predominantly a man's job.

"There were expectations that it's okay to [go to] a lot of drinking events, a lot of golfing, a lot of those kind of things that women probably weren't going to as often. It's networking, right?" says Gordon Brothers capital managing director and TMA board director Samantha Findley.

"You're going to the footy together, and you're doing those things; it's just a little bit harder sometimes for a female to immerse themselves in that just from a relationship and interaction perspective."

Yet other professional sectors have changed. In banks and law firms, women are more readily seen in leadership and executive positions. An increasing number of clients and business owners are women.

"Historically, it's perhaps aligned itself to an aggressive male [approach of] kicking down doors, banging tables, and has always had that reputation, particularly in Australia. If you go back and look at every major corporate insolvency in the last 20 years, they would have been run by three men," says Seeckts.

She says insolvency work has adopted a less hostile nature. "Everything is much more consensual. It's much more led by companies, it's much more about people outcomes and saving jobs and empathy in your dealings with people. I think that's making it become much more attractive as an industry for young women, but the challenge is the time that it will take them to be ready to step up."

Ensuring at least one woman is appointed as one of three liquidators or administrators will also have a cascade effect on women in broader parts of the sector, as well as for younger accountants and advisors looking further ahead at what their career might look like.

"We need to make sure that there is more in terms of numbers and more visibility, and that's about bringing up that percentage of registered liquidators. Without them, the generation below can't see it," says KPMG restructuring partner Amanda Coneyworth.

"That pressure to build that sustainable career is immediate when you become a partner, and that also puts off a lot of people in terms of taking that step."

Women at the table

So what if most liquidators are men? Industry leaders argue that not having a pipeline of women means a gap in diversity of thought and of talented people with certain skills – emotional intelligence, stakeholder management – crucial to the job.

“I think women can take a more listening, understanding approach … to situations,” says Dickerson. ”I think that experience as a woman practitioner going into sometimes what can be quite hostile situation can be less confrontational than having another male turn up.“

KPMG partner and registered liquidator Amanda Coneyworth. WOLTER PEETERS

Seeckts echoes the sentiment of women being effective at de-escalating tense situations and remembers jobs she worked on during the global financial crisis in the UK where many employees hadn’t been paid in a long time. “That aggression was very rarely directed at women, but often when we sent male colleagues, it would be directed at them. I think women are sometimes a very calming influence in a room.”

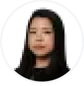
It’s not that men don’t have empathy; rather, it’s about inviting a broader range of perspectives. Seeckts recalls an instance where several employees had to be terminated from jobs where they lived on site. “I said, ‘where are they going to live? What’s going to happen to those people?’ And they were like, ‘oh’.”

“You don’t need to be a female to be asking those questions. You just need to be not just financial outcome-focused,” she says. ”But I think sometimes those questions naturally are better raised by women.“

The future is already looking more hopeful: in the past two years, a wave of women have joined the ranks of registered liquidators.

The code can act as a fast-track to raising their profiles. “If nothing else, this is just a fantastic opportunity for everybody to get to know the women who are coming through,” says O’Brien.

One day, the number of female liquidators will hopefully not make the news. “I would like that between in a decade’s time, we’re not even talking about it because we’ve just moved on,” says Seeckts.



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