



Let the bad times roll: the recession they can't wait to have

Erik Jensen

IT WAS a night of largesse in the liquidation industry: the Insolvency Practitioners Association of Australia's state conference, held in the largest room of the largest party venue in Sydney.

Almost 300 liquidators sat under the six chandeliers hanging over the zebra-print carpet of the Ivy Room on George Street.

As the champagne flowed, they could not help but smile: business was good – and expected to get better.

"In a downturn it's relatively easy for us to look successful," the association's deputy president, Mark Robinson, said.

Figures for the appointment of external administrators were at a year-long high of 867 last September, when the insolvency practitioners held their dinner. There were 847 more in October and 1011 in November – up by more than a third since 2007.

A few streets up from the Ivy, on the 41st floor of the MLC Centre, Warwick Brazier started work as a senior analyst for the financial advisory firm PPB. He is part of a growing trend in insolvency – a finance worker who felt the winds of change and moved from his auditing job at

PricewaterhouseCoopers to work in the booming field of corporate recovery.

Three months later his diary is at capacity and has been that way since he started.

"You could see it coming," he said of his change in industries. "I wanted to work with a company that deals with corporate recovery – we try not to call it insolvency. I'm dealing with people, not just numbers. It gives such a different level of understanding about what's happened."

Insolvency is one of the few industries still hiring. Staff numbers at PPB have grown by 15 per cent in the past year.

Many are joining from the finance sector – investment bankers made redundant by the market collapse. But there are others from areas like property development, with the recovery industry gearing up to take over half-finished buildings or struggling investment funds.

"A lot of the talent in our industry has gone across to investment banking over the course of the boom we have had in the past 10 to 12 years," Mr Robinson said. "If the opportunities are drying up in investment banking – as they are – they're well placed to come

back to our industry."

The other aspects of receivership are booming, too: insolvency law is a growing business, and accountants are still in demand.

According to last month's figures from the Department of Education, Employment and Workplace Relations, accountants and auditors are in the top four professional vocations for job vacancies.

"Accounting work never goes away. In the hard times, accounting becomes even more important," the general manager of the chartered accountants program at the Institute of Chartered Accountants, Sheena Frenkel, said.

At Henry Davis York, one of the largest practices dealing with insolvency law in Sydney, business is up more than 10 per cent. It has been growing steadily for the past nine months.

The firm's acting managing partner, Roger Dobson, said it was not taking on new staff but other firms were.

"You'll probably have some firms trying to rebrand lawyers as insolvency lawyers, taking them from departments that are quiet," he said.



Business is booming ... Warwick Brazier left his job in the finance sector to focus on "corporate recovery". Insolvency is one of the few industries still hiring. Photo: Edwina Pickles