



# A boom time for 'doctors'

**Antonia Magee**

INSOLVENCY doctors are expecting another wave of ailing companies to come calling in the next few months.

Business is booming at leading financial recovery firms like Ferrier Hodgson, PPB and BRI Ferrier, where extra staff have been hired to cope with expanding client portfolios.

Martin Green, of BRI Ferrier, said his company had hired an extra 15 staff — on top of the 55 already working — in the past six months as more companies sought help to stay afloat.

The high-profile collapses in recent months include ABC Learning Centres, Alleo and Elderslie.

"Unfortunately I think we will be the growth industry of 2009," Mr Green said.

Mr Green, who negotiated the sale of fashion retailer Herringbone last week, said many Australians were naive about the scale of financial strife being faced overseas.

"What's happening overseas will eventually come here and hurt us. It will get here," he said.

At PPB staff numbers have increased 40 per cent and the amount of assets being controlled has grown from about \$3 billion to close to \$20 billion in a year.

PPB's Melbourne managing partner Ian Carson said most of the problems were in larger companies with a lot of debt.

"Debt and property are the areas where we are seeing most of the



**Corporate doctor:** Ian Carson says banks are supportive.

activity and we are starting to see a little bit of activity coming into manufacturing and distribution," he said.

Mr Carson said the financial crisis had identified the companies with weak business structures.

"There are a lot of companies around I always suspected were going to have issues, like Alleo, ABC Learning and MFS," he said.

But Ferrier Hodgson partner James Stewart said he was seeing companies he never expected to need help approaching insolvency experts.

"For the first time in more than 20 years you are seeing the econo-

my impact the performance of businesses that otherwise would not have had the issues they have today," he said.

All the administrators said the banks and lenders were keen to keep businesses out of trouble.

"Generally the banks have comfort that there's a plan, and the banks are being very supportive of businesses that take advice and come to them with their issues," Mr Carson said.

And Mr Stewart said: "They are not interested in customers going to the wall."