

The role of shareholders in a voluntary administration

Abstract

One of the results of the decisions such as *Sons of Gwalia* and *Fostif* has been a closer examination of the place of shareholders in corporate insolvency procedures. Unlike personal bankruptcy upon which much of corporate insolvency is based, there are greater numbers of stakeholders in a corporate insolvency- all of whom have some interest in the process. Whilst in a liquidation, shareholder interests can be glibly suppressed with the argument that there are only enough assets for creditors, it is less convincing where attempts are being made to rescue the corporation such as in a voluntary administration. If a company is to continue the ownership interests of shareholders cannot be ignored.

This paper considers the role of the shareholders within the context of a voluntary administration. It analyses recent developments in the legislation in the context of the efficient operation of the voluntary administration regime.

AUTHORS

Dr Colin Anderson, Griffith Business School, Griffith University,

Email: colin.anderson@griffith.edu.au

Dr David Morrison, T C Beirne School of Law, The University of Queensland,

Email: d.morrison@law.uq.edu.au