

Ranking of Creditors:

In general the order of priority of payment to creditors of an insolvent company is:

- Liquidator's costs in getting secured property and paying creditors;
- Employee entitlements (wages; annual leave; retrenchment payments) and superannuation;
- Secured creditors (those with registered security agreements; security; liens; mortgages and charges);
- Ordinary unsecured creditors (not being secured or preferential); and
- Return of invested capital to shareholders.

Businesses should ensure that securities over buyers' assets (whether movable or immovable) are registered: secured creditors may recover amounts due wholly or partly from the assets secured in priority to unsecured creditors.