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## XL Express Collapse, Burdens Taxpayers with Millions in Unpaid Debts

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The collapse of XL Express, an Australian transport company, has left taxpayers facing significant losses, with nearly \$42 million in debts, including \$3.5 million owed to the Australian Taxation Office (ATO) and \$5.3 million to former employees. After 35 years in business, the Queensland-based firm entered voluntary administration in June 2025, appointing FTI Consulting as administrators, before liquidating on August 4, 2025. The fallout, reported by The Economic Times, highlights how corporate mismanagement can shift financial burdens onto taxpayers, raising concerns about accountability and oversight in the transport sector.

XL Express, founded in 1990, operated a national logistics network, serving retail, distribution centers, and residential customers across cities like Sydney, Melbourne, and Perth. Despite its “challenger model” boasting advanced parcel tracking, as stated on its website, the company faced severe financial strain. FTI Consulting’s administrators, Kelly-Anne Trenfield, Ross Blakely, and Joanne Dunn, reported losses in the 2023 and 2024 financial years, with tax debts accumulating since March 2023. The firm may have been insolvent as early as January 2023, per FTI’s findings. On June 23, 2025, XL Express was locked out of its Smithfield, Sydney premises for unpaid rent, and 200 employees were sacked the following day, leaving them without owed wages and benefits.

The financial toll on taxpayers is substantial. The \$3.5 million owed to the ATO represents funds that could have supported public services, now lost to the company’s failure. Former employees are owed \$5.3 million, including \$925,000 in superannuation, \$970,000 in annual leave, and over \$1.6 million in redundancy pay, as detailed in FTI’s report. Additional unquantified injury compensation claims further complicate the debt. Secured lenders, including National Australia Bank (NAB), ScotPac, and Judo Bank, are owed \$18.9 million, while unsecured creditors face \$12.4 million in losses. These debts, reported by News Corp, strain public resources, as government-backed schemes may need to cover employee entitlements, placing an unfair burden on taxpayers.

The collapse has broader implications for public trust in corporate governance. XL Express’s attempt to offset debts by selling its fleet through Manheim Auctions before administration failed to stabilize its finances. The company’s high-profile partnership with the Brisbane Lions Australian Football League (AFL) team from 2020 to 2022, featuring its logo on jerseys, masked underlying financial woes. The transport sector’s rising insolvencies, 535 cases in 2024-2025, a 173% increase from 2021-2022, per Australian Securities and Investments Commission (ASIC) data, signal systemic challenges, amplifying taxpayer exposure to corporate failures.

Customers, too, have been left in limbo, with undelivered orders stuck in distribution centers, as noted by a publishing industry insider to Daily Mail Australia: “This is a disaster. We have outstanding customer orders, and now they’re stuck in limbo.” FTI Consulting is arranging for clients to retrieve goods, but the disruption underscores the ripple effects of mismanagement. The liquidation of 17 XL Express entities, confirmed by ASIC on August 4, 2025, marks a stark end to a once-prominent operator. As taxpayers bear the cost of unpaid taxes and employee entitlements, the collapse fuels calls for stricter oversight to hold

corporations accountable and protect public funds from bearing the brunt of private sector failures.