

# SCOTT'S TRANSPORT VOLUNTARY ADMINISTRATION: WHAT HAPPENS NEXT

## BACKGROUND

Yesterday, Scott's Refrigerated Limited announced the company had been placed into administration, with KordaMentha appointed as receivers and McGrath Nicol as administrators.

Your job and the operations of the company remain in place at this time. **The TWU is working with the administrators to ensure workers will be prioritised throughout this process.**

We understand this is a terribly distressing and stressful time. Your union is here to fight with you for what we hope will be a sale of the business **and to maximise secure jobs, pay and conditions.**

## WHAT IS VOLUNTARY ADMINISTRATION?

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Voluntary administration is designed to resolve a company's future direction quickly. **KordaMentha now takes control of the operations of the company while administrators try to secure a buyer for the business.**

If it isn't possible to save the business, the aim is to administer the affairs of the company in a way that results in a better return to creditors than they would have received if the company had instead been placed straight into liquidation.

The effect of the appointment of a voluntary administrator is to provide the company with breathing space while the company's future is resolved.

## NEXT STEPS

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- ▶ As the Voluntary Administrator has now been put in place, McGrath Nicol must hold **the first creditors meeting** within 8 business days.
- ▶ We recommend all members attend and **ensure your union representatives are nominated as your proxy** to assist you through this process. The TWU is experienced in these processes, such as the Virgin Australia administration in 2020. We will be working with KordaMentha to confirm the timing of the meeting and get detail and proxy forms to you all.

## WHO IS A CREDITOR?

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As Scott's Refrigerated employee, you are a creditor of the company. **A creditor is a person who may be entitled to unpaid monies by Scott's.** Other creditors in this process include those who may have loaned Scott's money or whom Scott's has any type of payment or debt due.

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As a creditor, you receive a vote at the creditors' meeting. **We will update you on this process as information comes to hand.**

## HOW DOES THE ADMINISTRATION WORK?

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Ahead of the first creditors meeting, **administrators must investigate the company's finances and affairs**, come back to the meeting, and report on options. Depending on the specific circumstances, creditors will be provided options from the following list:

- Return the company to the control of the directors;
- Accept a deed of company arrangement; or
- Put the company into liquidation.

These options will become clearer over the next few days and we will continue providing you with more details.

## WHAT HAPPENS IF THE COMPANY GOES INTO LIQUIDATION?

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We are still a number of steps away from possible liquidation. Before then, **two creditors meetings will be held over the next 3-4 weeks and there will be multiple discussions around options** that are being worked through. However, if the company is eventually placed into liquidation, we will assist you to get back entitlements owed to you (redundancy pay, notice pay, accrued annual leave and Long Service Leave and any unpaid wages) through the Government's Fair Entitlements Guarantee Scheme (FEG).

## INDEPENDENT CONTRACTORS

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If you are an independent contractor, you have different rights under the law than employees have. The TWU will be speaking to administrators about independent contractors and working to ensure that fair entitlements are afforded to contractors engaged by the business.

## SUPPORT TRANSPORT REFORM

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This horrible experience shows why **transport reform is critical to stop more transport operators from collapsing**. Retailers are reporting enormous profits while cutting costs in transport, causing a strain on operators to survive and pressure on workers to work longer, faster and harder to make ends meet.

**The Federal Government has committed to setting enforceable standards in transport.** This reform would hold wealthy retailers and manufacturers to account for fair, safe and sustainable supply chains.

Pledge to take action to support these new laws: [Click here or scan the code](#)



**WE'RE ALL IN THIS TOGETHER. IF YOU NEED TO TALK, PLEASE REACH OUT TO YOUR DELEGATE OR ORGANISER.**

**FURTHER HELP IS ALSO AVAILABLE: LIFELINE 13 11 14 BEYOND BLUE 1300 22 4636**

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