

## Joint Committee on Corporations and Financial Services

### QUESTION ON NOTICE Date of hearing: 1 March 2023

#### Outcome: Workplace Relations

#### Department of Employment and Workplace Relations Question No. IQ23-000192

Senator Deborah O'Neill provided in writing.

#### **1 March 2023 | Scott's Refrigerated Logistics - Data**

#### Question

Please provide any data on the losses of unsecured creditors of Scott's Refrigerated Logistics.

#### Answer

The administrators' report to creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) 2016, dated 27 March 2023, states that the return available to creditors from a liquidation of the Scott's Group will depend on the following variables:

- the outcome of the Receivers' asset sale processes and whether asset realisations result in the repayment of the debt owing to a secured creditor,
- debtor collections and the repayment of the debt owing to a secured creditor; and
- the extent of any recoveries that may be available to a liquidator from voidable transactions and other claims.

The administrators' report notes that as at 27 March 2023, all of the above matters were yet to be finalised. Accordingly, the administrators' report notes it is too early to provide a reliable estimate of the likely return available to all classes of creditors from a liquidation of the Scott's Group. However, notwithstanding these limitations the administrators' report made the following preliminary comment regarding potential creditor returns in a liquidation of the Scott's Group:

- unsecured creditors of the Scott's Group with estimated claims totalling approximately \$34.3m are unlikely to receive any return absent meaningful further recoveries from voidable transactions (if any are identified).