

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE
COMMERCIAL COURT
CORPORATIONS LIST

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**IN THE MATTER OF GUNNS PLANTATIONS LIMITED (IN LIQUIDATION)
(RECEIVERS AND MANAGERS APPOINTED) (ACN 091 232 909)**

**DANIEL MATHEW BRYANT and CRAIG DAVID CROSBIE (in their capacities as
joint and several Liquidators of GUNNS PLANTATIONS LIMITED (IN
LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED)) (ACN 091 232 909)**
First Plaintiffs

and

**GUNNS PLANTATIONS LIMITED (IN LIQUIDATION) (RECEIVERS AND
MANAGERS APPOINTED) (ACN 091 232 909)**
Second Plaintiff

AFFIDAVIT

Date of document: 13 July 2021
Filed on behalf of: The Plaintiffs

Prepared by:

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(Justin Vaatstra – jvaatstra@abl.com.au)

I, **CRAIG DAVID CROSBIE** of 2 Riverside Quay, Southbank, in the State of Victoria, Chartered Accountant, **MAKE OATH AND SAY** that:

- 1 Daniel Mathew Bryant and I are the joint and several voluntary liquidators (**Liquidators**) of the companies comprising the Gunns group of companies (**Gunns Group**). A list of all companies in the Gunns Group is at **Schedule 1** to this affidavit.
- 2 Except where I otherwise indicate, I make this affidavit from my own knowledge. Where I depose to matters from information and belief, I believe those matters to be true.
- 3 I make this affidavit on behalf of Mr Bryant and myself. References in the affidavit to "we", "us" and "our" are references to Mr Bryant and me.



4 I make this affidavit in support of the Application to be filed by the Plaintiffs seeking the following orders:

- (a) an order pursuant to (former) section 473 of the *Corporations Act 2001* (Cth) (the **Act**) and/or sections 60-10 and 90-15 of the *Insolvency Practice Schedule (Corporations)* (the **IPSC**) determining that the Liquidators be paid the sum of \$887,023.00 plus GST as remuneration reasonably incurred in relation to the liquidation of the Second Plaintiff (**GPL**) for the period of 1 September 2016 to 31 December 2020 (**Remuneration**).
- (b) a direction that the Liquidators are entitled to be paid the Remuneration out of GPL's property and that we be entitled to a lien over GPL's property in respect of those costs, expenses and remuneration.
- (c) an order that the Liquidators be indemnified in respect of our costs of and incidental to this application out of GPL's property and that we be entitled to a lien over the GPL's property in respect of those costs.
- (d) a direction pursuant to sections 70-35 and / or 90-15 of the IPSC that the First Plaintiffs are justified and are otherwise acting properly and reasonably in proceeding on the basis that we are entitled to destroy the books and records of the Gunns Group two months after the completion of the liquidation.

Background

Appointments to the Gunns Group

- 5 On 25 September 2012, Messrs Ian Carson, Daniel Bryant and I were appointed as voluntary administrators of GPL and the other companies comprising the Gunns Group (the **Administrators**). At the time of our appointment, Messrs Carson, Bryant and I were partners of PPB Advisory, a professional services firm specialising in corporate recovery, restructuring and insolvency.
- 6 GPL is a wholly owned subsidiary of Gunns Limited (in liquidation) (receivers and managers appointed).
- 7 On the same date that Messrs Carson, Bryant and I were appointed as Administrators in September 2012, Messrs Mark Korda and Bryan Webster of KordaMentha were appointed Receivers and Managers in respect of the Gunns Group (the **Receivers**).



The Receivers remain in office as receivers and managers of the Gunns Group, including GPL.

- 8 Messrs Carson, Bryant and I were appointed Liquidators of the Gunns Group on 5 March 2013.
- 9 On 1 August 2018, PPB Advisory merged with PricewaterhouseCoopers Australia (**PwC**) and Messrs Carson, Bryant and I became partners of PwC.
- 10 On 2 October 2019, Mr Carson resigned as a Liquidator of GPL and the other companies in the Gunns Group. Mr Bryant and I remain as the joint and several Liquidators of GPL and the other companies in the Gunns Group.
- 11 Now produced and shown to me and marked "**CDC-1**" is a true copy of a company extract dated 7 July 2021 in respect of GPL obtained from the database maintained by the Australian Securities and Investments Commission (**ASIC**).

The Schemes

- 12 When we were appointed as Administrators to the Gunns Group, GPL acted as the responsible entity of 18 registered forestry management investment schemes (along with some other agricultural managed investment schemes) including:
 - (a) nine woodlot schemes originally established by GPL (**Gunns Woodlot Schemes**); and
 - (b) nine forestry schemes that were formerly operated by Great Southern Managers (**Great Southern Schemes**).
- 13 On or about 12 June 2014, Primary Securities Limited replaced GPL as the responsible entity for two of the Gunns Woodlot Schemes.
- 14 On 10 September 2018, the windings up of two of the Great Southern Schemes were completed and those schemes were deregistered by ASIC.
- 15 Accordingly, GPL remains the responsible entity and the Liquidators are finalising the windings up of:
 - (a) seven Gunns Woodlot Schemes; and
 - (b) seven Great Southern Schemes;



as listed in **Schedule 2** to this affidavit (collectively, the **Schemes**).

16 The general background to the administration of the Gunns Group, the Schemes, the appointment of the Liquidators and the winding up of the Schemes are set out in previous judgments of this Court regarding the costs and remuneration of the Administrators and the Liquidators in relation to the Schemes, including in:


- (a) *Re Gunns Plantations Limited (No 4)* [2013] VSC 595;
- (b) *Re Gunns Plantations Limited (in Liq) (Receivers and Managers Appointed)* [2014] VSC 239;
- (c) *Re Gunns Plantations Limited (in Liq) (Receivers and Managers Appointed)* [2015] VSC 102; and
- (d) *Re Gunns Plantations Limited (in Liq) (Receivers and Managers Appointed)* [2017] VSC 777.

17 The Court also made directions and orders on 18 December 2019 in relation to the distribution of sale proceeds of certain of the Schemes in circumstances where financiers had claims to those proceeds that had not been resolved over a period of years. Now produced and shown to me and marked "CDC-2" are true copies of the orders made on 18 December 2019.

18 As set out in those previous applications, the administrations of the Gunns Group and the Schemes have been highly complex. The 18 forestry managed investment schemes were spread across approximately 226,000 hectares of land in six states of Australia, and had to be wound up. There was also considerable complexity in respect of the Scheme structures and documentation, the rights of investors (growers), the assets the subject of securities under the control of the Receivers, the rights of landowners, and the unravelling of the various rights and interests of creditors and other stakeholders in the Gunns Group and the Schemes.

The scope of this application

19 The remuneration and costs in respect of which the Liquidators seek approval in this application comprise remuneration in respect of the liquidation of GPL. The remuneration sought to be determined on this application does not include remuneration relating to the Schemes. Remuneration in respect of work performed in

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connection with the Schemes was approved in separate court processes including those listed above.

- 20 The Liquidators have previously had our remuneration approved by the Committee of Inspection appointed in respect of the liquidation of GPL (the **COI**) in the amount of \$568,449.30 which covered the period from 5 March 2013 to 31 August 2016.
- 21 Now produced and shown to me and marked "**CDC-3**" are the notices and minutes of each of the meetings of the Committee of Inspection, including Liquidators' remuneration reports to the Committee of Inspection and the resolutions approving remuneration up until 31 August 2016, held on the following dates:
- (a) 17 June 2014;
 - (b) 23 February 2015; and
 - (c) 12 December 2016.

Committee of Inspection – Need for application

- 22 By resolution of creditors of GPL on 5 March 2013, the COI was established with the following creditor representatives:
- (a) Mr David Shelton representing The Trust Company Australia;
 - (b) Mr Chris Fenwick or Ashurst representing the Banking Syndicate;
 - (c) Mr Nigel Campbell representing himself;
 - (d) Mr Keith Lamb representing The Trust Company Australia;
 - (e) Mr Andrew Saker of Ferrier Hodgson representing Great Southern Plantation Holdings Pty Ltd (Subject to Deed of Company Arrangement);
 - (f) Ms Kendall Mahnken representing KJ Mahnken & DA Mahnken;
 - (g) Mr David Gatenby representing Tasmanian Farmers and Graziers Association; and
 - (h) Mr David Byron representing Macquarie Bank Limited.

- 23 As at 31 May 2021, there are two remaining members of the COI:



- (a) Mr Ross McClymont of Ashurst, representing the Banking Syndicate; and
- (b) Mr Martin Jones and Mr Tom Birch (formerly of Ferrier Hodgson), representing Great Southern Plantation Holdings Pty Ltd (In Liquidation) (**Great Southern**).

24 Great Southern was deregistered as a company on 4 August 2018. Now produced and shown to me and marked "CDC-4" is a true copy of an ASIC company extract in respect of Great Southern showing the date it was deregistered.

25 As a result, Mr McClymont, representing the Banking Syndicate, is the only remaining member of the COI. Since there is now only one member of the COI, it is not able to act having regard to section 80-10(8) of the *Insolvency Practice Rules (Corporations) 2016* (Cth). Accordingly, the Liquidators and GPL have made this application for orders determining the Liquidators' remuneration from 1 September 2016 to 31 December 2020.

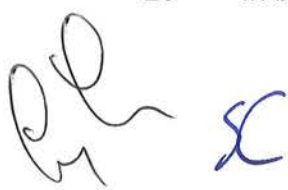
26 There are 307 known creditors of GPL, and approximately 4,000 contingent creditors of GPL (if grower members of the Schemes are treated as contingent creditors). If we were to call a creditors' meeting to approve the Remuneration, we have obtained quotes that the costs of hosting a virtual creditors' meeting would be in excess of \$30,000 plus GST. Further, the costs of giving reasonable notice to creditors of GPL of a meeting are likely to be over \$6,000 plus GST. In addition, the external administration of GPL and the related Gunns Group companies commenced in September 2012, that is about nine years ago. It will be a time consuming and expensive exercise to locate the current addresses and contact details of approximately 4,000 contingent grower creditors.

Overview of the Remuneration Claim

27 By this application, the Liquidators seek approval of our remuneration in the amount of \$887,023.00 plus GST as the remuneration reasonably incurred in relation to the liquidation of GPL.

28 Since our appointment and in the period since 1 September 2016, the Liquidators and staff members at PPB Advisory and PwC have undertaken a significant amount of work in relation to the liquidation of GPL (in addition to the work performed in relation to the Schemes).

29 In broad outline, the work undertaken by us since 1 September 2016 comprises:



- (a) conducting investigations, litigation and recoveries in respect of a claim issued by growers in the Gunns Woodlot Schemes against GPL and certain of its former directors and officers (the **Grower Litigation**), and reporting to ASIC on these issues;
- (b) reconciling, calculating and distributing funds held in pre-appointment custodian accounts to growers;
- (c) liaising with landowners and their representatives regarding the removal of forestry rights and preparing the required forms;
- (d) facilitating the windings up of the wine grape schemes and liaising with ASIC;
- (e) performing general administrative tasks, including correspondence, document management, insurance, bank account administration, ASIC and tax obligations, planning, and books and records management;
- (f) dealing with the creditors of GPL, including enquiries, reporting and meetings; and
- (g) dealing with issues concerning employees, such as superannuation contributions and payment summaries.

Hourly rates

- 30 The work performed by the Liquidators has been recorded and calculated according to hourly/time-based methods.
- 31 In my experience, an hourly/time-based remuneration methodology ensures that the company in liquidation only incurs costs for work that is actually performed. PPB Advisory and PwC's time recording systems allow the Liquidators to produce detailed analysis of time spent on different tasks relating to the liquidation by individual staff members, and to ensure that costs are reasonably and proportionately incurred.
- 32 I have set out below the hourly rates charged by the Liquidators, PPB Advisory staff and PwC staff who have assisted in the performance of tasks throughout the liquidation in the following table, ordered according to seniority:



Position	Description	Hourly rate (exclusive of GST)
Partner/Appointee	A registered Liquidator who is a leading practitioner with extensive experience in all forms of insolvency administrations. A senior member of management with ultimate responsibility for the conduct of the administration.	\$675
Director	Highly experienced in insolvency matters at a senior level, including managing complex administrations and supervising teams. Capable of deputising for the Appointee where required and may be qualified to accept appointments in his/her own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.	\$585
Senior Manager	Experienced in insolvency matters with strong technical knowledge and commercial skills. Capable of supervising teams, having primary responsibility for small to medium matters, or complex aspects of larger matters. Answerable to the Appointee and/or senior team members. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.	\$510
Manager	Experienced in insolvency matters with well-developed technical and commercial skills. Capable of supervising smaller teams and can take day-to-day responsibility of smaller to medium matters, or aspects of more complex matters. Alternatively, may have management,	\$465



	business, or industry skills, or a combination of skills. Generally reports to senior team members, or directly to the Appointee on smaller matters.	
Assistant Manager	Experienced in insolvency matters with well-developed technical and commercial skills. Capable of supervising smaller teams and can take day-to-day responsibility of smaller to medium matters, or aspects of more complex matters. Alternatively, may have management, business, or industry skills, or a combination of skills. Generally reports to senior team members, or directly to the Appointee on smaller matters.	\$445
Senior Analyst 1	Generally a qualified accountant with postgraduate qualifications in insolvency subjects. Assists with planning and control of various aspects of the administration. Has day-to-day responsibility for overseeing fieldwork and can supervise staff. Has experience in larger and more complex administrations.	\$395
Analyst 1	Generally a qualified accountant with between 1 and 2 years' experience. Assists with planning and control of various aspects of the administration, but is primarily responsible for completing fieldwork under the supervision of more senior staff.	\$310
Analyst 2	Generally a qualified accountant with less than 1 year's experience. Assists with planning and control of various aspects of the administration, but is primarily responsible for completing fieldwork under the supervision of more senior staff.	\$250



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Client Services Engineer	Has specialist skills and experience with computers and technology connected to statutory and other obligations of the administration.	\$310
Graduate	Graduated from university with minimal insolvency experience. Required to assist in day to day field work and other routine tasks under supervision of more senior staff.	\$210
Senior Bookkeeper	Has specialist skills and experience in bookkeeping and other administrative tasks connected to statutory and other reporting obligations of the administration.	\$190
Undergraduate	Completed Victorian Certificate of Education or equivalent and plans to undertake at least part-time degree/diploma, required to assist in administration and day to day field work under supervision of more senior staff.	\$190
Offshore Professional	Generally a qualified accountant. Assists with planning and control of various aspects of the administration but is primarily responsible for completing office work under the supervision of more senior staff.	\$150

- 33 I believe these rates are comparable to the rates charged by other large corporate restructuring and insolvency firms who have the skills, resources and experience to conduct complex windings up of large corporations and managed investment schemes.

Remuneration Claim

Total costs

- 34 The total cost of the Remuneration sought by the Liquidators is \$887,023.00 excluding GST.

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Description of work undertaken

- 35 The major areas in respect of which the Liquidators and our staff at PPB Advisory and PwC have performed work in the Liquidation of GPL for the Remuneration claim are as follows:
- (a) administration tasks;
 - (b) dealing with and managing GPL's assets;
 - (c) creditor and stakeholder inquiries and communications;
 - (d) dividends;
 - (e) employee related matters;
 - (f) investigations into GPL's affairs; and
 - (g) trading-on related work.
- 36 A significant piece of work that the Liquidators and our staff have had to attend to during the Remuneration period was dealing with the Grower Litigation. The Grower Litigation involved claims against GPL, Gunns Limited and several former directors and officers of GPL by growers of the Gunns Woodlot Schemes. The primary objective of the Grower Litigation was most likely to recover against insurance policies.
- 37 On behalf of GPL's insurers, the Liquidators continued to assist in the defence of the Grower Litigation. The cost of doing so was met by GPL's insurance policy. Due to the significant work required in defending the Grower Litigation, the insurance policy's proceeds were depleted. The Liquidators had to engage with the sub-insurers to determine their position with respect to the ongoing defence costs of the Grower Litigation.
- 38 As a result of these inquiries, the Liquidators made an application to the New South Wales Supreme Court for directions because pursuant to section 545(1) of the Act, a liquidator is not liable to incur any expense in relation to the winding up of a company, unless there is sufficient available property. On 4 December 2019, the New South Wales Supreme Court made orders revoking leave for the plaintiffs in the Grower Litigation to proceed against GPL and Gunns Limited, and therefore GPL and Gunns Limited are no longer a party to the Grower Litigation.

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39 Now produced and shown to me and marked "CDC-5" is a true copy of the orders of the Supreme Court of New South Wales dated 4 December 2019.

40 The table below outlines the work already undertaken by the Liquidators, PPB Advisory staff and PwC staff in the period from 1 September 2016 to 31 December 2020. Each task is allocated to a "Task Area" that I identified above and is given a "General Description", along with an overview of the types of work included within that task category. The "Task Area" column also includes a summary of the time and costs incurred by PPB Advisory and PwC in relation to each Task Area.

Task Area	General Description	Includes
Assets 6.6 hrs \$3,354.50	Other Assets	Reviewed and prepared correspondence in relation to pre-appointment insurance policy Discussed pre-appointment insurance policy with solicitors Reviewed and prepared correspondence regarding Forestry Right Removals
Creditors 93.60 hrs \$43,405.50	Creditor Enquiries	Dealt with creditor enquiries via telephone Reviewed and prepared correspondence to creditors and their representatives via facsimile, email and post Updated creditor listing for return to sender correspondence
	Secured creditor reporting	Various verbal and written communications with the secured creditor and the Receivers & Managers
	Creditor reports	Prepared report to the COI including remuneration reports Prepared annual report to creditors
	Meeting of Creditors	Prepared meeting notices, proxies and advertisements Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Prepared and lodged minutes of meetings with ASIC

Task Area	General Description	Includes
Employees 6.4 hrs \$2,795.50	Other employee issues	Corresponded with employees regarding superannuation contributions Liaised with superannuation funds regarding contributions and termination of employees' employment Arranged Payment Summary for employee
Trade On 52.0 hrs \$21,958.00	Trade On Management	Prepared and authorised receipt vouchers Prepared and authorised payment vouchers Liaised with IT team regarding Gunns servers
	Processing receipts and payments	Entered receipts and payments into accounting system Prepared invoices
	Budgeting and financial reporting	Updated liquidation cash master Prepared budgets
Investigation 999.2 hrs \$491,533.00	Conducting investigation (Grower Litigation)	Discussed and planned for electronic and physical records discovery Identified electronic records, wrote test plan and tested metadata Documented discovery files and electronic records Liaised with Receivers & Managers regarding access to hard copy records Attended to discovery of electronic data Reviewed physical records located in Tasmania for Grower Litigation discovery Reviewed electronic records for specific information requests received from solicitors Extracted specific documents from pre-appointment company servers Scanned records Prepared updated listing of books and records following hard copy review Discussed application to use internal systems for discovery with PwC internal risk and quality team Liaised with external service providers regarding quote for outsourcing hard copy records discovery tasks Investigations into most appropriate discovery platform Liaised with former GPL employee regarding recording and transport of hard copy records identified as relevant for discovery
	Litigation / Recoveries	Liaised with solicitors regarding Grower Litigation

Task Area	General Description	Includes
	(Grower Litigation)	<p>Liaised with solicitors regarding insurer funding</p> <p>Prepared quote and scope of works for insurer</p> <p>Reviewed and executed confidentiality agreements</p> <p>Prepared correspondence</p> <p>Reviewed memo to Counsel</p> <p>Reviewed and finalised affidavits for Court</p> <p>Reviewed mediation agreement</p> <p>Reviewed and edited discovery regime document</p> <p>Attended weekly telephone meetings with solicitors to discuss progress and outstanding issues</p> <p>Provide instructions to solicitors</p> <p>Applied to Court seeking directions once insurance proceeds were depleted</p>
	ASIC reporting	<p>Liaised with ASIC</p> <p>Prepared and reviewed annual reports</p> <p>Reviewed and discussed form 524</p> <p>Corresponded with ASIC regarding the winding up of the wine grape schemes</p>
Dividend 161.2 hrs \$76,183.00	Dividend procedures	<p>Prepared distribution calculations for pruning and custodian account proceeds</p> <p>Prepared memorandums documenting distribution calculations</p> <p>Liaised with Link Market Services regarding payments</p> <p>Verified accuracy of distribution payments from Link Market Services and approved live proofs</p> <p>Prepared payment vouchers to pay distribution</p> <p>Prepared correspondence to growers outlining distribution payment</p>
Administration 647.7 hrs \$247,793.50	Correspondence	<p>General correspondence with parties</p> <p>Prepared and reviewed cost estimates for processing of file servers</p> <p>Prepared invoices for insurer</p>
	Document maintenance/file review/checklist	<p>Filed documents including emails</p> <p>File reviews</p> <p>Updated checklists</p>
	Insurance	<p>Liaised with insurer regarding progress of outstanding payments</p>
	Bank account administration	<p>Prepared correspondence opening and closing accounts</p>

Task Area	General Description	Includes
		Requested bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Facilitated receipts and payments
	ASIC Form 524 and other forms	Prepared and lodged ASIC forms including 524, 484 and 492 Correspondence with ASIC regarding statutory forms Lodged annual reports
	ATO and other statutory reporting	Prepared BAS Reviewed and lodged BAS
	Planning / Review	Discussed status of administration Reviewed GST reconciliations Prepared task list Attended internal weekly progress meetings
	Books and records / storage	Managed records in storage Sent job files to storage

41 The actual time and cost incurred by each of the Liquidators, PPB Advisory staff and the PwC staff in relation to the Remuneration is set out in the table below:

Position	Hourly rate	Total hours	Total costs incurred
Appointee	\$675	86.90	\$58,657.50
Partner	\$675	4.80	\$3,240.00
Director	\$585	179.20	\$104,832.00
Senior Manager	\$510	496.90	\$253,419.00
Manager	\$465	451.80	\$210,087.00
Assistant Manager	\$445	358.90	\$159,710.50
Senior Analyst 1	\$395	6.40	\$2,528.00
Analyst 1	\$310	173.40	\$53,754.00
Analyst 2	\$250	1.20	\$300.00
Client Services Engineer	\$310	1.50	\$465.00

Graduate	\$210	48.40	\$10,164.00
Senior Bookkeeper	\$190	154.40	\$29,336.00
Bookkeeper	\$180	2.10	\$378.00
Undergraduate	\$190	0.80	\$152.00

42 Now produced and shown to me and marked "CDC-6" are true copies of:

- (a) a spreadsheet that we have prepared summarising the calculation of our remuneration; and
- (b) time-recording sheets in respect of each of the Liquidators, the PPB Advisory staff members and PwC staff members recording the actual time spent on the work performed. Now produced and shown to me and marked "CDC-7" is an extract of these time sheets with narrations;

in respect of the claim for approval of our Remuneration.

Receipts and Payments

43 I have, with the assistance of PwC staff working on the external administration of GPL, extracted and summarised from the Liquidators of GPL's books and records details of the receipts and payments in respect of GPL for the period 1 September 2016 to 31 December 2020, that is the Remuneration period (**Summary of Receipts and Payments**).

44 Now produced and shown to me and marked "CDC-8" is a true copy of the Summary of Receipts and Payments. As responsible entity, GPL is responsible for the administration of the Schemes, including the treasury function. As a result, the Summary of Receipts and Payments includes transactions relating to both GPL and the Schemes.

45 As at 31 May 2021, the Liquidators operate twelve bank accounts in the name of GPL which hold a total of approximately \$2.1m. These funds comprise:

- (a) funds relating to the Schemes, including:

- (i) amounts totalling approximately \$1.3m in Sale Proceeds realised by GPL in its capacity as responsible entity for the Schemes and held on trust for the benefit of investors in those Schemes and to pay for the ongoing costs of winding up those Schemes. These funds are not available to GPL to pay the general costs of the winding up of GPL;
 - (ii) amounts totalling approximately \$0.3m which were held in custodian bank accounts operated by GPL in its capacity as responsible entity for the various Schemes on the date of the appointment of the Administrators. These funds are held on trust for the benefit of investors in those Schemes and are not available to GPL to pay the general costs of the winding up of GPL;
- (b) insurance proceeds totalling approximately \$0.455m which were received from GPL's insurer in connection with the Grower Litigation, to compensate the Liquidators for fees that the Liquidators incurred in our work in defence of the proceeding. The insurance proceeds are insufficient to meet the outstanding fees and the Liquidators intend to apply the insurance proceeds in their entirety to those outstanding fees;
- (c) approximately \$0.08m which is available to meet the general costs of the winding up of GPL.

46 Accordingly, there is approximately \$540,000 to meet the Remuneration with the expectation that the balance of outstanding remuneration will remain unpaid.

Notice to ASIC and creditors

47 The Liquidators intend to provide a copy of this affidavit and notice of the Liquidators' intention to make this application for approval of our Remuneration to:

- (a) Mr McClymont of Ashurst, as the sole remaining member of the COI; and
- (b) Gunns Limited (by the Receivers), being the sole shareholder of GPL.

48 In addition, the Liquidators will give notice of this application on the webpage dedicated to the Gunns Group liquidations on the PwC website at <https://www.pwc.com.au/business-restructuring/insolvency-cases/2846.html>.

Following directions made at the commencement of the external administrations of the Gunns Group companies in October 2012 (see *Re Gunns Plantations Limited* [2012]



VSC 513), the Liquidators have regularly given notice of applications and steps proposed to be taken in the conduct of the Gunns Group liquidations via the dedicated webpage on the PwC website (and formerly the PPB Advisory website).

49 The Liquidators will also give notice to ASIC of this application.

50 Prior to the hearing of this application, I will make and file a further affidavit to update the Court as to any response from creditors or ASIC in relation to this application.

Early destruction of books and records

51 The Liquidators are currently in possession of approximately 900 boxes of records from the Gunns Woodlot Schemes and Great Southern Schemes. These 900 boxes are currently being held at a storage facility in Tasmania.

52 In addition to the records held by the Liquidators, the books and records of the wider Gunns Group comprise an additional 7,100 boxes that are in the possession of the Receivers and Managers.

53 The Receivers and Managers have informed us that it is their intention to deliver the books and records to us upon completion of their receivership, which is estimated to be by September 2021 at the earliest.

54 We estimate that it would cost \$385,000 to continue to store the books and records for the statutorily mandated 5 year period.

55 Having regard to:

- (a) the statutorily imposed timeframe for retention of 5 years following the completion of liquidation; and
- (b) the logistical and financial burden that retaining the books and records of the entire Gunns Group for the full years would impose on the Liquidators and the Gunns Group companies,

the Liquidators seek permission for the early destruction of the books and records of the Gunns Group, two months after the completion of the liquidation.

56 At a meeting held on 21 December 2020, the Committee of Inspection for Gunns Limited (in liquidation) (receivers and managers appointed) approved the early destruction of books and records for Gunns Limited, two months after the finalisation



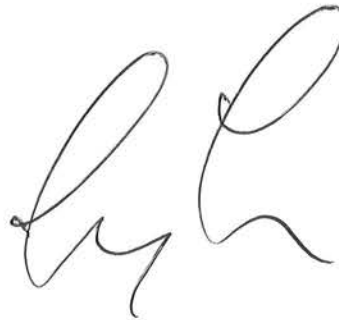
of the Liquidation. Now produced and shown to me and marked "CDC-9" are the minutes of that meeting.

57 The Liquidators intend to retain our full books and records of the liquidation. These records are not covered by the early destruction request made in the Plaintiffs' Application.

The contents of this affidavit are true and correct and I make it knowing that a person making a false affidavit may be prosecuted for the offence of perjury.

SWORN at Melbourne in the State of
Victoria on
13 July 2021

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Before me:



on 13 July 2021

Samuel Martin Crock
Arnold Bloch Leibler
Level 21, 333 Collins Street, Melbourne 3000
An Australian Legal Practitioner
within the meaning of the
Legal Profession Uniform Law (Victoria)

A person authorised under section 19(1) of the *Oaths and Affirmations Act 2018* to take an affidavit.

SCHEDULE 1

GUNNS GROUP COMPANIES

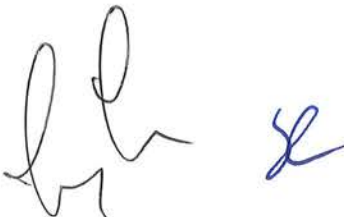
- 1 Associated Forest Holdings Proprietary Limited (ACN 004 352 078)
- 2 Auspine Limited (ACN 004 289 730)
- 3 Auspine Plantations Pty Ltd (ACN 002 327 808)
- 4 Auspine Tree Farms Pty Ltd (ACN 100 307 373)
- 5 East Coast Pastoral Co Pty Ltd (ACN 009 519 528)
- 6 GTP Alexandra Pty Ltd (ACN 121 653 772)
- 7 GTP China Pty Ltd (ACN 093 919 414)
- 8 GTP Heyfield Pty Ltd (ACN 000 041 814)
- 9 GTP Holdings Pty Ltd (ACN 009 478 068)
- 10 GTP Seymour Pty Ltd (ACN 091 652 550)
- 11 GTP Southwood Pty Ltd (ACN 081 613 710)
- 12 Gunns Consolidated Investments Pty Ltd (ACN 128 619 045)
- 13 Gunns Finance Pty Ltd (ACN 091 861 700)
- 14 Gunns Forest Products Pty Ltd (ACN 004 208 904)
- 15 Gunns Holdings Pty Ltd (ACN 009 520 085)
- 16 Gunns Limited (ACN 009 478 148)
- 17 Gunns New Zealand Pty Ltd (ACN 069 051 378)
- 18 Gunns Plantations Limited (ACN 091 232 209)
- 19 Kauri Timber Company Ltd (ACN 004 085 714)
- 20 KVVIC Pty Ltd (ACN 126 089 950)



- 21 Manna Holdings Pty Ltd (ACN 008 008 197)
- 22 Northern Forest Investments Pty Ltd (ACN 009 493 707)
- 23 S.E.A.S. Estates Pty Ltd (ACN 007 923 971)
- 24 S.E.A.S. Plantations Pty Ltd (ACN 005 791 695)
- 25 S.E.A.S. Sapfor Forests Proprietary Limited (ACN 007 872 120)
- 26 S.E.A.S. Sapfor Harvesting Proprietary Limited (ACN 007 511 211)
- 27 S.E.A.S. Sapfor Investment Services Proprietary Limited (ACN 008 164 289)
- 28 Sapfor Trading Proprietary Limited (ACN 007 924 254)
- 29 Sorisdale Pty Ltd (ACN 054 548 971)
- 30 South East Afforestation Services Proprietary Limited (ACN 007 898 259)
- 31 Tasmanian Pulp & Forest Holdings Limited (ACN 009 488 733)
- 32 Tasmanian Softwoods Pty Ltd (ACN 009 501 786)
- 33 Taspine Pty Ltd (ACN 009 477 730)
- 34 TBVIC Pty Ltd (ACN 004 161 782)
- 35 Timbersales Proprietary Limited (ACN 004 848 864)
- 36 Wesley Vale Engineering Pty Ltd (ACN 006 955 568)

(ALL RECEIVERS AND MANAGERS APPOINTED)

(ALL IN LIQUIDATION)

Handwritten signatures in blue ink, consisting of two distinct scribbles.

SCHEDULE 2

SCHEMES

- 1 Gunns Plantations Woodlot Project 2002 ARSN 099 584 675
- 2 Gunns Plantations Woodlot Project 2003 ARSN 104 213 710
- 3 Gunns Plantations Woodlot Project 2004 ARSN 108 690 080
- 4 Gunns Plantations Woodlot Project 2005 ARSN 113 092 854
- 5 Gunns Plantations Limited Woodlot Project 2006 ARSN 118 534 106
- 6 Gunns Plantations Limited Woodlot Project 2008 ARSN 128 933 237
- 7 Gunns Plantations Ltd Woodlot Project 2009 ARSN 135 490 292
- 8 Great Southern Plantations 1999 ARSN 092 452 849
- 9 Great Southern Plantations 2000 ARSN 085 669 361
- 10 Great Southern Plantations 2002 ARSN 095 343 963
- 11 Great Southern Plantations 2003 Scheme ARSN 099 131 825
- 12 Great Southern Plantations 2004 ARSN 107 811 709
- 13 Great Southern Plantations 2005 Project ARSN 112 744 877
- 14 Great Southern Plantations 2006 Project ARSN 112 744 902