

Virgin administration process next steps

8 May 2020

What has already happened

Step 1: Appoint Administrator	<p>The Board and Management Team of Virgin Australia appointed Deloitte as administrator of Virgin Australia and related entities on 20th April 2020.</p>
Step 2: First meeting of creditors	<p>The first creditors meeting has been held, and at this meeting the appointment of Deloitte was confirmed as was the recognition of Virgin Australia employees and their legal entitlements as critical creditors with a key stake in future decisions by the administrators about Virgin.</p> <p>The Administrators have also recommended to creditors that a <i>Committee of Inspection</i> be established consisting of your union representatives, bond holders, landlords, and suppliers. All creditors are now in the process of voting to approve the membership of the Committee as recommended by the Administrator.</p> <p>The purpose of the Committee will be to assist and advise the administrator, as well as to ensure the administrator is acting in the best interests of the creditors. It is critical that Virgin employees and through their unions are represented on this Committee to ensure that Unions the administrators act in the best interest of workers, and to keep Virgin flying.</p>

What's next

Step 3: Preparing for a bid and the second creditors meeting	<p>The Administrator works with your Union representatives on the <i>Committee of Inspection</i> on prospective bids on a future Virgin.</p> <p>The Committee's job is to ensure the Administrator is meeting the goals of its creditors – including all Virgin employees.</p> <p>During this time the Administrator will prepare their report for creditors to consider at the second meeting,</p> <p>Due to the size of Virgin and the goal to keep Virgin flying, the Administrator has indicated it will apply to the Federal Court for more time to prepare the company for sale and to accept a bid.</p> <p>Initial bids are due Friday 14 May and the Administrator is aiming for a final bid to be signed by 30 June.</p> <p>The intention is that the second meeting meeting will be held within 3 months from now.</p>
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<p>Step 4: Second meeting imminent: proxies and preparation</p>	<p>Creditors will be given a minimum of 5 (five) days’ notice of a second meeting to prepare. At this time, the Administrator will send creditors:</p> <ul style="list-style-type: none"> • The meeting notice, • The Administrator’s report, • The Administrator’s statement, • A claim form, and • A proxy form. <p>Your Union representatives will be working with the <i>Committee of Inspection</i> and Administrators to ensure all Virgin workers have a say on the future of Virgin Australia.</p> <p>We will be in touch with you well in advance of this meeting to make sure this occurs. The very best way to make sure the voice of workers is heard is to join all the individual votes of employees together by giving your proxies to your union.</p>
<p>Step 5: Second meeting of creditors: to decide Virgin’s future</p>	<p>At this meeting, creditors will decide:</p> <ul style="list-style-type: none"> • Whether to accept a bid from a prospective buyer under a <i>deed of company arrangement</i>, • To return the company to its existing directors, or • To put the company into liquidation. <p>Virgin Unions are working with Administrators, potential bidders, and fellow creditors to ensure workers’ interests are fully protected in any potential sale.</p> <p>Our priorities in these discussions are:</p> <ul style="list-style-type: none"> • Ensuring a maximum number of jobs of Virgin employees and contractors are saved and protected, • Ensuring 100% of all Virgin employees’ legal entitlements are protected and secure, and • Ensuring a viable and sustainable Virgin for the Australian aviation industry. <p>All workers’ voices and votes matter in these discussions. It is critical that workers remain focused and united behind their unions through this difficult and stressful time.</p> <p>Your unions are skilled and experienced in these matters and determined to ensure any future Virgin puts workers jobs, entitlements and best interest first.</p>

-- Information correct at 8 May 2020, written by Australian Council of Trade Unions