

NOTICE OF FILING

Details of Filing

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File Title:	IN THE MATTER OF IG POWER (CALLIDE) PTY LTD) (ADMINISTRATORS APPOINTED) (ACN 082 413 885)
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A handwritten signature in blue ink that reads "Sia Lagos".

Registrar

Important Information

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Federal Court of Australia

District Registry: Queensland

Division: Commercial and Corporations

No. QUD403 of 2024

**IN THE MATTER OF IG POWER (CALLIDE) LTD (ADMINISTRATORS APPOINTED) ACN
082 413 885 & ORS**

**JOHN RICHARD PARK AND BENJAMIN PETER CAMPBELL IN THEIR CAPACITY AS
JOINT AND SEVERAL ADMINISTRATORS OF EACH OF THE SECOND TO FIFTH
PLAINTIFFS NAMED IN SCHEDULE 1**

First Plaintiffs

Plaintiffs' Outline of Submissions

List of Material

1. Originating Process dated 22 October 2024;
2. Plaintiffs' submissions dated 22 October 2024;
3. Affidavit of John Richard Park affirmed 22 October 2024 (**Park 4**) (and confidential exhibits JRP-6 and JRP-7);
4. Affidavit of John Richard Park affirmed 29 October 2024 (**Park 5**); and
5. Draft short minutes of order.

Overview of Administrators' Position

1. The administrators seek: (a) an extension of the convening period to 20 December 2024; (b) timetabling orders for a hearing of the administrators' judicial advice application this calendar year; and (c) other ancillary orders.
2. This is not a usual administration. The current administrators are the second set of administrators to be appointed to the companies. The administrators are very aware and concerned with delays and cost increases in this administration, and do not believe that an extension of the convening period for some 5 months is warranted or in the interests of the companies at this time.

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3. Sev.en opposes the administrators' proposed orders on the basis that the convening period should be extended for 5 months and that they should be afforded a generous opportunity to review the transaction that the administrators have entered into. Sev.en has expressed its intention to do so despite being unaware of the pricing and value terms of the transaction.
4. The administrators wish to assist this Honourable Court with balancing the competing interests of the administrators and the companies on one hand, and a single stakeholder on the other. For the following key reasons, the administrators' orders should be preferred.

Extension of the convening period

5. The administrators have completed their investigations into the incident claims and are in a position to report to creditors about the value of those claims. The completion of the sale transactions the subject of the judicial advice applications are the only substantial outstanding matters remaining to be resolved before the administrators will be in position to report to creditors and call the second meeting.¹
6. The administrators' opinion about the appropriate period for the extension is based on their professional expertise and what they believe is in the best interests of IG Power Group's creditors and stakeholders as a whole. Sev.en, in its capacity as an indirect shareholder, is not required to consider the best interests of the IG Power Group's creditors. That is a matter which underpins the force of the established principle that the administrators' views as to the period for the extension of the convening period is to be given weight on an application of this kind.²
7. Following the directions hearing on Thursday 24 October 2024, and consistently with the proper exercise of the administrators' duties, the administrators took steps to ascertain the commercial consequences of an extension to early 2025. Mr Park gives evidence that: (a) a material contract in relation to the operation of the business of the IG Power Group expires at the end of November 2024, and the administrators have little confidence that this contract can be renewed or its terms extended on the same terms for an extended period of time; and (b) a key trade creditor of the IG Power Group is requiring improved pricing under its contract, which would have a material impact on the trading costs of the business.³ Mr Park's evidence as to why these matters favour the extension being, at this stage, limited to 20 December 2024 (*cf* 28 March 2025) is that the administrators are more confident they will be able to negotiate an extension of one to two months with the first counterparty, and

¹ Part 5 at [11.b.].

² Plaintiffs' submissions dated 22 October 2024 at [7]-[9] and the authorities cited therein; *Re Collection House Ltd (Administrators Appointed)* [2022] FCA 1083 at [10(f)] (Derrington J).

³ Park 5 at [11.f.].

better manage the second counterparty, against the backdrop of a reserved decision this calendar year as opposed to informing the creditors that the administration will continue for another 5 months with a hearing date next year.⁴

8. Mr Park also gives evidence as to the constraints on the funding of the administrations and that, while it is open to the administrators to seek further funding, doing so would burden the IG Power Group with additional debt, with the result that the value of the transactions (if completed) to the companies would diminish.⁵ This is why Sev.en's offer to continue to fund the administration in the interim period does not alleviate the concerns the administrators have if the convening period is extended until 28 March 2025.
9. Although the administrators may call the second meeting of creditors at an earlier point in time if the period is extended to March 2025 (Se.ven submissions at [10]), a prolonged extension is inconsistent with the propositions that Part 5.3A of the Act is predicated upon administrations being relatively speedy,⁶ and that the Court should not allow an extension of a convening period for longer than is required for the diligent exercise of the powers of the administrators.⁷ The administrators are conscious that this particular administration has been ongoing since March 2023⁸ and respectfully seek the Court's assistance to accelerate this timing.

Urgency of Judicial Direction Application

10. The IGPC transaction document contains a "CP Satisfaction Date" which gives rise to the relevant urgency.⁹ There are also commercial consequences of delaying the hearing which are identified in paragraph 7 above. The administrators' short minutes, at orders 6 to 12, provide for a prompt hearing of the judicial direction application in December 2024 to accommodate this urgency.
11. In this respect, Mr Park gives evidence that there is a risk that the counterparty may seek to negotiate improved pricing if the "CP Satisfaction Date" is not satisfied. Despite Mr Park's enquiries with the counterparty, an extension has not been provided. Mr Park expects that any extension agreed will be of limited duration, such that a delay to determining the Interlocutory Process increases the risk of prejudice to the transaction. Mr Park is also of

⁴ Park 5 at [11.f.ii].

⁵ Park 5 at [11.e.].

⁶ *Park, in the matter of Collection House Limited (Administrators Appointed)* [2022] FCA 1083 at [10(c)] (Derrington J).

⁷ *Wight, in the matter of Responsible Entity Services Ltd (Administrators Appointed)* [2024] FCA 458 at [36] (Button J).

⁸ Park 5 at [11.a.].

⁹ Confidential Exhibit JRP-7 at p 48.

the opinion that his ability to negotiate an extension of the CP Satisfaction Date will be significantly improved if there is a hearing date this calendar year. The return to creditors could also be negatively impacted by delays given the ongoing costs of the administration process and the increasing exposures of creditors.¹⁰

12. The administrators intend to complete or terminate (if a favourable judicial direction is not received) the IGPC transaction before reporting to creditors at the second meeting. This is because, in the administrators' view, they must report to creditors about the outcome of the sale process to enable them to determine the companies' future.¹¹ As this is the remaining step before the second meeting is called, the administrators wish to have the application heard as soon as reasonably possible.
13. The administrators do not seek to unduly burden the Court with hearing the judicial advice application this calendar year. The administrators hope that the issues to be raised by Sev.en (if any) can be identified and narrowed expeditiously in the interests of preserving the sale transaction for the benefit of the companies as a whole. For that reason, if Justice Derrington is not available to hear the matter this year, the administrators respectfully seek a hearing before any available Judge in any Australian registry this calendar year. This request of itself, while very reluctantly made given His Honour's history with this matter, demonstrates the administrators' very real concerns with time delays.

Provision of materials to Se.ven

14. At the directions hearing on 22 October 2024, the administrators foreshadowed providing a confidential copy of the IGPC transaction to Se.ven. Following that hearing, at 3:30pm the administrators circulated a draft confidentiality undertaking to Se.ven for that purpose.¹² On 3:50pm on 25 October 2024, the administrators received the signed confidentiality undertakings.¹³
15. The administrators could not provide a copy of the redacted IGPC transaction document to Sev.en until they received it from the counterparty, which occurred at 2:46pm on 28 October 2024.¹⁴ On 4:18pm on 28 October 2024, upon receipt of the signed confidentiality undertakings, the redacted confidential version of the IGPC transaction was provided to Se.ven.¹⁵

¹⁰ Park 5 at [11.d.]

¹¹ Park 5 at [14].

¹² Park 5 at [19].

¹³ Park 5 at [20].

¹⁴ Park 5 at [21].

¹⁵ Park 5 at [22].

16. There can be no reasonable criticism levied against the administrators in relation to the steps they have taken to promptly arrange confidentiality undertakings to permit the relevant transaction documents to be provided to each of Se.ven and CEPL.

Conclusion

17. The administrators respectfully request that the Court make the orders in the form proposed by the administrators.

O'Donnell KC, R Jameson, J T Sargent

Counsel for the Plaintiffs

29 October 2024