



Network Ten Q&A

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Staff from MEAA and CPSU finally spoke with Network Ten HR and Korda Mentha administrators yesterday to put concerns and questions members have had with the future of Network Ten and the administration process.

The Korda Mentha administrators have confirmed they are actively pursuing a buyer for the network, and will be continuing to pay the wages of employees in a “business as usual” way while this hunt for a buyer gets underway.

The administrators have confirmed they are not looking to wind the company up at this stage – though the comprehensive report the administrators are required to provide to you, an unsecured creditor, has not yet been finalised.

The answers to our questions are below - Network Ten have also confirmed they will release a detailed and thorough FAQ for staff today – the union will circulate that when we receive it.

What is the purpose of the Proof of Debt form and should I fill it out? Does putting a “dollar figure” on my debt at this stage limit me in any way.

The Proof of Debt form does not limit or set the limit of your “debt” with the company (i.e., accumulated unpaid wages, accrued entitlements etc) Korda Mentha is required to seek relevant email contacts from you under law, as this will be the primary way they will communicate with network ten staff – and the Proof of Debt form is the way they do that. While it is not compulsory to fill the form out, MEAA strongly recommends you do to ensure you have a proxy vote in the event a creditors committee is formed (which it likely will be at the meeting on Monday June 26, 2017. More on this below)

What role does MEAA play?

While unions can play a role in the creditor process, we are not a direct creditor of Network Ten as employees are, which limits that role. MEAA staff will attend the two initial creditors meetings in an observer and advisory role, and we can continue to raise members concerns and questions to the company and administrators during this time.

So who can represent me at the creditor committee? Who can I give my proxy vote to?

MEAA shares the concerns members have expressed about Network Ten advising employees a HR staffer would be the default representative of Ten employees on the creditors committee.

MEAA recommends members have their own representative on this body, a representative of union members who would be looking out for the interests of their colleagues and be accountable to them. If you would be interested in taking this role on, and are interested in finding out more, please contact Katelin.mcinerney@meaa.org

We can then open an online poll for you to endorse a candidate, or candidates (two would be fine) and get the nomination process sorted with Korda Mentha. Keep an eye on your emails.

While committee is an advisory and consultative body – it does not have the capacity to influence the administrators’ assessment of Network Ten’ viability - in the unlikely event the company is put into liquidation, the committee becomes the body through which decisions are accepted or rejected on payouts.

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Do I need to attend the meeting on Monday?

The initial creditors meeting is quite perfunctory and covers off the two legal requirements: to vote on whether to have a creditors committee; and to either proceed with Korda Mentha as administrators or to nominate and vote on another firm coming in to conduct the assessment and report.

You are not required to attend the meeting on Monday. As we indicated above, MEAA is looking for a union representative from Ten editorial staff to attend the meeting and they can be authorised to carry your proxy if you nominate them to do so. MEAA staff will also attend.

What happens after that initial meeting?

Korda Mentha will conduct a full assessment of the network's financial situation and have said they are actively positioning the company to attract a buyer. The administrators will not be offering any redundancies at this time. However, in the normal course of contract negotiations with interested buyers, redundancies may be proposed. MEAA members will be advised of any updates on this situation as union staff are updated.

A creditors report will be prepared into the company's ongoing viability, and will contain a recommendation from Korda Mentha on a course of action (likely to be find a buyer and make an arrangement to pay the debt back) This report will be sent to creditors ahead of the second creditors meeting.

What if I want to leave while Network Ten is in administration?

The administrators have confirmed they will not prevent anyone leaving during the period the company is in administration. However they will be asking staff to work out their full notice period as set out in your enterprise agreement, and all accrued entitlements, like any annual leave you have accrued, and your long-service leave, will not be paid out until the company either finds a new buyer and they pay the amount owed to you, or the company is placed into liquidation and the settlement of outstanding debts begins.

Are my entitlements safe? What happens to my accrued annual leave, TOIL and long-service leave from here? What happens to my redundancy payment, as set out in the enterprise agreement?

Your entitlements are your entitlements – their value is set by your enterprise agreement, and you will continue to accrue those entitlements while the company is in administration. The time that "debt" to the company becomes "due" is either when you apply to take annual leave (which will be assessed by the administrators during this period) or when you leave the company, by either quitting your position or your position being made redundant.

In the event you quit your position, the above provisions apply. If you are made redundant, and the company is sold, then the buyer is liable for the full amount of your accrued entitlements, and you should be paid all monies owed when the sale is finalised. However if the company goes into liquidation, your status as a priority unsecured creditor means you are a main priority payment, behind secured creditors, and you will be paid from the proceeds of the sale of the company's assets.

If there are insufficient funds to cover these entitlements, then the company may make an offer that is less than the full amount, which the creditors can then opt to accept or reject. You may also be eligible for assistance from the Federal Government's Fair Entitlement Guarantee (FEG scheme). You can read more about FEG [here](#).

If you have any further questions, MEAA will be holding a further teleconference this week at 12pm EST this Friday June 23, 2017. Details will be sent out on Thursday afternoon – all welcome to join.

In the meantime, MEAA members can contact Katelin.mcinerney@meaa.org for any further information.

