[redacted]

SUBMISSION

Dear Justice Middleton,

In the matter of Virgin Australia Holdings Ltd (Administrators Appointed) ACN 100 686 226 & Ors NSD464/2020, I would like to raise four significant issues to your attention, however, there has been insufficient time provided by the Administrator to enable this to occur in a detailed manner on today's date.

Should this matter be adjourned for any reason, I would like to be heard and provided the opportunity to give evidence in detail.

Background

I represent my wife, who was seriously injured in her employment with *Virgin Australia Airlines Pty Ltd* back in 2016, **to date, my wife (a Virgin Creditor) has suffered from those injuries for 1,319 days.**

Virgin Australia was issued a self-insurance license in 2016, just prior to her being injured; prior to this unions were arguing this was to save money and was not in the best interest of employees.

Since that time our experience supports the union's view, as there is clear evidence that her claim has been managed from a financial viewpoint, as opposed to a clinical one, throughout her claim.

For this reason she has continued to suffer for almost four years after the date of her injury. This is certainly not in line with the requirements of their self-insurance license or the *Safety, Rehabilitation and Compensation Act* (1988), however, the Comcare Scheme unfortunately enables this with little cost effective recourse for claimants, and escalation takes considerable time.

More recently the respondent's strategy has been to refuse to provide written reviewable decisions, I opine in an effort to prevent and/or delay escalation. I have a jurisdictional matter on foot with the AAT to ventilate this *modus operandi*, and non-compliance with the SRC Act.

Your honour, with *Virgin Australia Airlines Pty Ltd* being a self-insurer, and compensation entitlements coming directly from their purse as opposed to that of an insurer, the financial issues and ultimate insolvency of this company and its subsequent administratration is in our experience causing further injury to injured workers'.

Issue 1 - AAT Matters

Your honour would see from the Affidavit of Vaughan Neil Strawbridge of 11 May 2020

with respect to this matter that Mr Strawbridge outlined a series of 'around' 21 AAT matters.

I am representing my wife in one such matter. The insolvency of Virgin Australia, the lack of accessible information to creditors, and the fact that the Administrator has not responded to questions (repeatedly asked) related to the self-insurance license before the first creditors meeting, during the first creditors meeting, and after the first creditors meeting has resulted in AAT conferences and hearing dates being vacated until after 22 August 2020 - resulting in extended pain and suffering of my wife. I would expect other injured workers' to be suffering in the same manner.

Numerous allowances have already been made for the Administrators, respectfully too many in my opinion, and extending the time frame in relation to the next creditors meeting extends the suffering of injured workers', employees, and creditors.

Issue 2 - Access to information

With respect to the above, it was already difficult to access entitlements afforded by the SRC Act for my wife's accepted injuries, and since posting further hundreds of millions of dollars in losses last year and announcing 750 job losses, all prior to COVID-19, any claim entitlements worth more than a trinket have been suspended or disputed (even when decisions were knowing unsustainable) to limit and/or delay liability. One such unlawful decision was rectified by the AAT earlier this year (AAT matter 2020/0206).

Coinciding with a formal (accepted complaint) to the Australian Human Rights Commission, which should be added to the Administrators list of matters currently on foot, things became much worse in their liability limiting efforts, going so far as refusing to provide determinations for medical treatment and secondary injuries. In fact, since the administrators took control of the airline, even pain management referrals and related treatment has been completely ignored.

Injured workers' should not be treated as a means to save costs by an Administrator who seems to be the only entity gain from this terrible situation. As opposed to think of its own position and liability, this administrators should be a little more focused on the hardship caused to creditors, including employees and injured workers.

At the very least the Administrator should state the intent in relation to the continuance or otherwise of the self-insurance license, so that the *Safety, Compensation and Rehabilitation Commission* (SRCC) can activate the airlines Bank Guarantee to enable entitlements to be accessed by injured workers. Otherwise, the Administrator should ethically and swiftly allocate funds to enable provision of entitlements OR cancel the self-insurance license and return to state based workers' compensation schemes to ensure the safety and ongoing entitlements of workers.

Issue 3 - Halo System

The Administrators Halo system was also utilised to ask questions with respect to the self-insurance license, however, the only communication received from the administrator via this system was on 25 June 2020 and related to them losing track of the questions, which I was asked to re-submit and they would gain urgent attention. I did so on the same date, and followed up again on 1 August 2020. No reply has been received to date. I have attached screenshots.

I have concerns as to the capacity and management of this Halo System, and about the

transparency of it being utilised in a voting context, especially with media reports about the Administrator maintaining that the Bondholders DOCA will not be considered by them and could not be implemented in any case due to a binding arrangement with Bain.

Issue 4 - Alternative DOCA and mixed messages

Could your honour also provide some clarity around those reports? A large number of creditors, including my wife, would like to see what the Bondholders are offering, and this should be provided with sufficient time for all creditors to read through and make informed decisions. The Administrators has surely been dealing with prospective purchaser Bain for sufficient time to enable them to stick to their existing schedule.

Kind regards,
Terry Turner
[redacted]