

**GROWERS TOUCH WOOD - MORE TIME FOR  
TIMBERCORP LIQUIDATORS**

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We have been asked by various people to explain various aspects of the Timbercorp liquidation and Great Southern Plantations' administration.

Earlier last month, a Federal Court ruling gave Timbercorp's Liquidators more time to decide whether to retain Timbercorp's leased land or terminate the leases.

The Court determined that the Liquidators had not retained the leased land "for the purpose of the liquidation", but were still deciding what to do with the leases and the plantations on the leased land. This decision temporarily preserved the "status quo" to enable the Liquidators to make a better informed decision about how to maximise returns to growers and other stakeholders.

If the Court had ruled that the land had been retained for the purpose of liquidation, then the payment of rent to landholders could have been required to be paid in preference to other claims. The decision of the Court is on the Federal Court web site and the web site of the liquidator's lawyers, and makes interesting reading.

After this decision, Timbercorp was served with formal notices by some landholders requiring the Liquidators to elect within 28 days whether to disclaim the lease obligations.

On Monday this week, the Federal Court extended the period for Liquidators to make this decision until 1 September 2009 and invited them to apply for another extension needed. The reasoning again being that the liquidators need time to make decisions given the complexity and the number of affected parties. Again, we recommend reading the Court decisions available on the web.

This is general information only and does not constitute specific legal advice. If you would like further information in relation to this matter or other legal matters please contact our offices at [reception@hhg.com.au](mailto:reception@hhg.com.au).



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