

The  
**Save my trees**  
Initiative

**SMT Great Southern Update following the Supreme Court hearing**  
**Held Tuesday, 24 November 2009**  
(Prepared by Mark Bland of Clarendons)

On Friday 20 November, the Receivers of Great Southern Managers Australia Limited (**GSMAL**), as RE of the Great Southern Plantations Projects announced that it had entered into an agreement with Gunns Plantations Limited under which the Receivers will call a meeting of grower members and put to the growers the resolutions to have Gunns replace GSMAL as RE of the 1998-2006 Great Southern Plantation Projects.

On the same day GSMAL applied to the Supreme Court of Victoria for directions that the Receivers are justified in:

- (a) calling a meeting and putting the Gunns resolutions to the members;
- (b) accepting and counting any votes cast for woodlots held by Great Southern Plantations Holdings Pty Ltd (Administrators Appointed)(**GSPH**) and Great Southern Finance Pty Ltd (Administrators Appointed)(**GSF**); and
- (c) giving growers with woodlots on land where leases that have been terminated 1/5 of the voting power of growers with woodlots on land where leases remained intact.

As chairman of Save My Trees (SMT), Rob Burns was invited by the Receivers to appear as a party to put submissions to the court on behalf of growers.

Large volumes of material were provided to parties over the course of the weekend and the proceedings were heard on Tuesday, 24 and Wednesday, 25 November. Accordingly, there has been very little time given to SMT, their solicitors and counsel to analyse and formulate opinions in relation to these proceedings.

The following fundamental principles shaped SMT's approach:

- (a) growers should have the chance to vote on all three of the Gunns, Pulpwood Plantations and Black Tree offers, preferably in one meeting; and
- (b) a new responsible entity be appointed to the Projects before Christmas.

Some of the material before the court is now on the Great Southern website, however much of it was confidential and cannot be distributed.

We argued:

- (a) the Receivers should call a meeting where all three proposals can be considered and voted on by growers. If the Gunns meeting is called there is likely to be three separate meetings which is likely to cause confusion and risks no proposal being accepted;
- (b) all growers should be given the same voting power per woodlot; and
- (c) the RE should not take into account any votes made by GSPH and GSF because they are related parties of GSMAL and/or may have an interest in the Gunns proposal being successful. Also GSPH's woodlots were acquired through Project Transform so if voted, should have a reduced voting power.

Our submissions were generally supported by ASIC, Bendigo and Adelaide Bank and Pulpwood who also attended the proceedings and offered to defer their meeting so that their proposal can be considered together with the Gunns and Black Tree proposals.

The Receivers had not informed the court of the Black Tree proposal, however the growers put information provided by Black Tree before the court so that the court was aware of the Black Tree offer.

On Friday, 27 November 2009 the court made the directions sought by GSMAL with some minor amendments.

However many issues remain unresolved, for example:

1. Ferrier Hodgson did not attend the court proceedings and we do not know whether it proposes to call a meeting. As administrators of GSPH and GSF, they can determine whether these companies vote in the

# The Save my trees Initiative

schemes. GSPH and GSF holds between 14% and 28% of the 1998 to 2003 schemes. GSPH's woodlots were purchased in Project Transform.

2. The orders do not determine whether such votes can be valid. It is important to note that the effect of the orders is limited to providing protection to the Receivers from being sued as a result of calling these meetings.

The orders do not have the effect of confirming that the Receivers actions are valid or appropriate. They are not an approval of the Gunns proposal.

SMT is concerned about certain aspects of the Gunns proposal that will become public when the meeting is called and will be writing to all three proponents' with questions about their proposal.

[Please click here for a copy of the complete Court Orders.](#)