

Frequently Asked Questions (FAQs)

COVA Delivery Pty Ltd
ACN 009 582 218

(Administrators Appointed) (the Company)

28 January 2025



Frequently Asked Questions (FAQ)

This document is dated 28 January 2025 and is subject to regular update at <https://www.pwc.com.au/deals/business-restructuring/insolvency-cases.html>

This document is intended for use by the employees of the Company and is not intended for general circulation, publication, reproduction or any other use than to assist creditors in the administration.

Regular updates and all other correspondence issued by the Administrators can be found on the PwC Cova Delivery insolvency website: <https://www.pwc.com.au/deals/business-restructuring/insolvency-cases.html>

FAQ – Employees

1	Who are the Administrators?	Craig Crosbie, Robert Ditrich and Rebecca Gill were appointed as Administrators of COVA Delivery Pty Ltd on 21 January 2025 (Administrators). The Administrators are all partners of PricewaterhouseCoopers Australia (PwC), which is one of the largest multinational professional services firms in the world. You can find out more at www.pwc.com .
2	What happened to COVA Delivery Pty Ltd	The Company directors advise the Company has been operating in a challenging environment for some time with significant cost increases and overruns contributing to poor financial results. In addition, a number of significant future projects were cancelled or delayed in the lead up to the appointment of Administrators. The Administrators will provide further discussion in reporting to creditors.
3	What is a voluntary administration?	<p>Voluntary administration is a process that can be generally initiated by directors or a secured creditor of a company if they believe that a company is, or is likely to become, insolvent. This means that the company is unable to pay its debts, or is likely to become unable to pay its debts as and when they fall due.</p> <p>The role of the voluntary administrator is to investigate the company's affairs, report to creditors and to recommend to creditors whether the company should enter into a deed of company arrangement, go into liquidation or be returned to the directors.</p> <p>For more information regarding administrations, please visit https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/?</p>
4	How does voluntary administration differ from receivership or liquidation?	<p>Voluntary administration is different to receivership and liquidation. In each case, an independent and suitably qualified person takes full control of the company and/or its assets, however the goal/purpose is different for each appointment type:</p> <ul style="list-style-type: none">• Voluntary administration – attempt to restructure the company to continue its operations (where possible), either in its current form or a restructured version or in many cases determine a company should enter liquidation.• Liquidation – to wind up a company for the benefit of creditors.• Receivership – to collect and sell enough of a company's charged (secured by, for example, a bank) assets (this may include selling assets or the company's business) to repay the debt owed to the secured creditor.
5	How long will the voluntary administration process take?	<p>The Administrators were appointed on 21 January 2025.</p> <p>The Administrators are required to convene a meeting of creditors for the purpose of enabling creditors to vote on the future course of a company – this is the second meeting in the administration (Second Meeting). Generally speaking, a voluntary administration takes approximately 25 to 30 days unless an extension of the convening period for the Second Meeting of creditors is sought and approved by the Court. At this stage, the Administrators do not intend to seek an extension to the convening period.</p>

		<p>You will receive formal communications setting out the next steps in the administration, including a:</p> <ul style="list-style-type: none"> a) First Meeting of creditors; and b) Second Meeting of creditors
6	When and where is the First Meeting of creditors being held and what is the purpose?	<p>The First Meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.</p> <p>The First Meeting will be held virtually on or before 3 February 2025 (i.e., there will be no physical meeting). More information regarding the First Meeting will be included in a circular distributed to creditors.</p> <p>At this meeting, the Administrators will provide creditors with an update on the progress of the administration.</p>
7	When and where is the Second Meeting of creditors being held?	<p>The Second Meeting of creditors is expected to be held virtually on or before 26 February 2025 (i.e., there will be no physical meeting).</p> <p>A link to join the meeting will be sent to all creditors.</p> <p>At the Second Meeting of creditors, registered creditors will have the opportunity to vote on the future of the Company.</p>
8	What is the likely outcome of the voluntary administration process?	<p>It is too early to estimate the likely return to employees and other creditors at this point in time.</p> <p>The Administrators will report to creditors prior to a Second Meeting. This report will detail the Administrators' investigations into the business, property, affairs and financial circumstances.</p> <p>The Administrators' report will also provide an opinion on each option available to creditors (as listed below) and will recommend which option is in the best interests of creditors.</p> <p>Creditors will then vote on these options at the Second Meeting.</p> <p>The three options available to creditors to determine the future of a company are:</p> <ul style="list-style-type: none"> a) the voluntary administration ends and control returns to the directors; b) the company executes a Deed of Company Arrangement (Deed) if one is proposed. A Deed is a binding agreement between a company and its creditors setting out how a company's affairs will be dealt with. It aims to maximise the chances of the company, or as much as possible of its business, continuing to exist, or providing a better return to creditors than would be achieved by winding up the company; or c) wind up the company (i.e. place them into liquidation).
9	My employment has been terminated. When/how do I obtain a separation certificate?	<p>Please send an email to covadelivery@au.pwc.com if you require a separation certificate following the end of your employment.</p>

10	How do I find out what I am owed?	Employees have been provided an estimate of their entitlements, per the Company's books and records, via a letter emailed by the Administrators on 22 January 2025.
11	When will my employee entitlements be paid?	<p>Any amounts owed to you relating to the period prior to the appointment of Administrators (i.e., before 21 January 2025) will be a claim against the Company.</p> <p>Voluntary administration is an interim form of external administration. As is the usual practice, employee entitlements accrued before the appointment of the Administrators will not be paid during the voluntary administration.</p> <p>Such entitlements are expected to be paid at the end of the administration process or in the liquidation process, from the realisation of the Company's assets, provided those realisations are sufficient to meet costs of the administration and employee entitlements.</p> <p>If creditors vote to place the Company into liquidation and there are insufficient funds to pay employee entitlements, the Commonwealth Government's Fair Entitlement Guarantee scheme (FEG Scheme) will be available to employees - See https://www.dewr.gov.au/fair-entitlements-guarantee</p> <p>The Administrators note there are some limits and exclusions under the FEG Scheme (see 12. below).</p> <p>Information is also available at https://www.dewr.gov.au/fair-entitlements-guarantee. Please also refer to "Voluntary administration: A Guide for Employees" available on the Australian Securities and Investments Commission (ASIC) website www.asic.gov.au</p>
13	What is the FEG Scheme?	<p>The FEG Scheme is a legislated safety net scheme operated by the Commonwealth Government (the Government) for employees of insolvent entities that have been placed into liquidation. Under the FEG Scheme, you may be able to claim for amounts owing for wages, annual leave, long service leave, payment in lieu of notice and redundancy including:</p> <ol style="list-style-type: none"> 1. Wages (to a maximum of 13 weeks) 2. Annual leave 3. Long service leave 4. Payment in lieu of notice (to a maximum of 5 weeks) 5. Redundancy pay (to a maximum of 4 weeks per year of service). <p>The Government assesses your claim in conjunction with information provided to them by the liquidators – refer to the FEG website for more information https://www.dewr.gov.au/fair-entitlements-guarantee.</p>
14	I am a casual employee and have been terminated, will I receive a redundancy payment?	No, typically casual employees are not entitled to a redundancy payment.

<p>15 I have reviewed my redundancy calculation and do not agree with the method used to calculate my redundancy and/or payment in lieu of notice amounts.</p>	<p>The Administrators have received numerous inquiries regarding the calculations used to determine employee entitlements, including questions relating to applicable time periods and salary or hourly rates involved.</p> <p>The Administrators will conduct investigations to ensure entitlements have been calculated correctly. Where necessary, the Administrators will seek legal advice. This may take some time however, where necessary a restated entitlement calculation will be issued for your review.</p> <p>We appreciate former employees' patience as we work through this process.</p>
<p>16 All other queries</p>	<p>The Administrators will continue to update this FAQ document with additional information on a regular basis. Please continue to review this document here https://www.pwc.com.au/deals/business-restructuring/insolvency-cases.html.</p> <p>Should you have any other queries, please contact us via email: covadelivery@au.pwc.com</p>