



MEDIA RELEASE FROM IDEA SERVICES AND TIMATA HOU LTD

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### **STATUTORY MANAGEMENT LAW USED FOR FIRST TIME**

The potential \$176 million liability faced by IDEA Services and Timata Hou because of the sleepover case gave the companies no choice but to request government appoint a statutory manager.

Sir John Anderson was today announced as the statutory manager of the two companies while court proceedings continue.

His appointment was necessary because the directors are not permitted to continue to run the companies with a contingent debt that massively exceeds the companies' assets. Sir John Anderson's appointment was the first time that the part of statutory management law that protects companies and allows them to survive while an uncertainty is cleared up has been used.

"This is an extraordinary situation that requires a unique yet pragmatic approach," said Sir John.

"It's business as usual for the staff and people supported by IDEA Service and Timata Hou, said Sir John. The sleepover case is going through the court process and until that is complete it is unclear what the solution will be."

"Both IDEA Services and Timata Hou have been managed honestly and competently. There has been no mismanagement. They are a victim of an Employment Court decision that will have implications for any organisation that employs sleepover staff. The size of services means the impact for them is greater than it is for others in the sector."

Sir John said that his top priority is to ensure that the nearly 6000 people with intellectual disability supported by IDEA Services and Timata Hou experience no disruption to their daily lives.

"Staff are competent and hardworking and I know that they will do whatever they can to keep things running as normal for the people they support," said Sir John.

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