

## NOTICE OF FILING

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### Details of Filing

Document Lodged:	Affidavit - Form 59 - Rule 29.02(1)
File Number:	NSD213/2011
File Title:	Tammy Maree Stanford & Anor v DePuy International Limited & Anor
Registry:	NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



A handwritten signature in blue ink, reading "Warwick Soden".

Dated: 17/06/2019 10:39:42 AM AEST

Registrar

### Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

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Form 59

Rule 29.02(1)

## Affidavit

No. NSD 213 of 2011

Federal Court of Australia  
District Registry: New South Wales  
Division: General

**Tammy Stanford** and Another

Applicants

**DePuy International Limited** and Another

Respondents

Affidavit of: **Julian Klaus Schimmel**  
Address: Level 32, 201 Elizabeth Street, Sydney NSW 2000  
Occupation: Solicitor  
Date: 14 June 2019

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Filed on behalf of (name & role of party)

Maurice Blackburn Pty Limited and Shine Lawyers Pty Limited as  
Joint Scheme Administrators

Prepared by (name of person/lawyer)

Julian Klaus Schimmel

Law firm (if applicable)

Maurice Blackburn Pty Limited

Tel (03) 9605 2680

Fax (03) 9258 9600

Email [KAelxandrou@mauriceblackburn.com.au](mailto:KAelxandrou@mauriceblackburn.com.au)

**Address for service**  
(include state and postcode)

c/- Maurice Blackburn Pty Limited, Level 32, 201 Elizabeth Street,  
Sydney NSW 2000

[Version 2 form approved 09/05/2013]

I, Julian Klaus Schimmel, solicitor, of Level 32, 201 Elizabeth Street, Sydney, in the State of New South Wales, affirm:

1. I am a Principal Lawyer of Maurice Blackburn Pty Limited (**Maurice Blackburn**).
2. Maurice Blackburn acted for the first applicant and a number of Group Members in this proceeding. On 29 June 2016, the Court made orders appointing Maurice Blackburn and Shine Lawyers as the joint administrators (**Administrators**) of the Settlement Scheme (**Scheme**) in this proceeding. On 14 June 2017, the Court ordered that Maurice Blackburn and Shine be joined as parties to the proceeding for the limited purpose of exercising the liberty granted by the Court in order 2(c) made on 29 June 2016. I am responsible for Maurice Blackburn's conduct of the settlement administration.
3. Since the approval of the settlement on 29 June 2016, in June of each subsequent year the Administrators have provided annual updates to the Court as to the progress of the settlement administration. Consistently with the practice adopted in previous years, the Administrators now provide their annual report to the Court in accordance with clause 14.6 of the Federal Court of Australia's *Class Actions Practice Note (GPN-CA)*. In doing so, the Administrators provide an update as to:
  - (a) the progress of the settlement since the Administrators provided their most recent report to the Court in June 2018; and
  - (b) the remaining work to be done in administering the settlement.
4. In addition, I make this affidavit in support of an application for orders:
  - (a) approving further amendments to the Scheme; and
  - (b) approving payment of Administration Costs.
5. I am authorised to make this affidavit on behalf of the Administrators. Except where otherwise indicated I make this affidavit from my own knowledge. Where I give evidence based on information provided to me by other people or on my review of documents, that evidence is true to the best of my knowledge, information and belief. In this affidavit I use terms that are defined in the Scheme and in the Settlement Deed.



6. I have also reviewed a draft affidavit of Rebecca Jancauskas of Shine Lawyers that is proposed to be filed on behalf of the Administrators in support of the current application.

## OVERVIEW

7. Since the Administrators' appearance before the Court in June 2018 (**June 2018 Update**) and my 20 June 2018 affidavit (**June 2018 Affidavit**), the Administrators have continued to make significant progress in finalising Group Members' claims and reaching the position where all claims excepting for recently registered claims and a handful of more complex claims have been completed. Administration costs and progress has largely tracked as the Administrators had anticipated as at the time of the June 2018 Update.
8. In Section A below I elaborate on the status of Group Members' claims, however by way of brief summary at the outset, I note that compensation payments have now been made to 1,492 (93%) of the 1,604 Group Members who have been found eligible to receive compensation, and 55 of the 111 unpaid Eligible Group Members are in the process of having their Liens resolved and we therefore expect that most will be paid within the next month or two. By way of further summary:
- (a) eligibility determinations have been completed for all but those recently registered Group Members;
  - (b) Fast Track Resolution payments have been made to 98% of Group Members who have elected to take up that payment option, with payments of \$77,230,000.00 having been made to these Group Members;
  - (c) Individual Assessment payments have been made to 72% of Group Members who have elected Individual Assessment, with payments of \$42,952,995.12 having been made to these Group Members at the rate of 90 cents in the dollar as recommended by actuarial experts, Geoff Atkins and Adam Payne of Finity in June 2018.
  - (d) Updated advice has been received from the actuarial experts, Finity, providing that the 72% of Group Members who have elected Individual Assessment and been paid at 90 cents in the dollar of their total assessed compensation can now be paid a further tranche or "top up" payment of 10 cents in the dollar, meaning they will have been paid 100% of their total assessed compensation.



Group Members who have elected Individual Assessment and had their claims finalised from now on will be paid at 100% of their total assessed compensation. This top up payment is made in accordance with clause 10.4 of the Scheme. The Administrators anticipate making an application for approval of a final payment in accordance with clauses 10.6 and 10.7 of the Scheme in 12 to 18 months' time.

9. The remainder of this affidavit is structured as follows.

- (a) **Section A:** I set out the progress of the administration by reference to the status of Group Members' claims.
- (b) **Section B:** I set out the work performed in relation to the administration for which costs approval is sought.
  - (i) In support of the June 2018 application for approval of Administration Costs, Maurice Blackburn prepared the 2018 MB Administration Report which was at **JKS-147** of my June 2018 Affidavit. For the purposes of this current application, Maurice Blackburn has prepared an update to the 2018 MB Administration Report. A copy of the "**2019 MB Administration Report**" is at **JKS-156** to this affidavit.
  - (ii) This application relates to Administration Costs incurred by Maurice Blackburn for the period April 2018 to March 2019 (**2019 Relevant Period**). The 2019 MB Administration Report sets out the monthly amounts of professional fees for each of the 26 areas of settlement administration work and provides a description of the nature of the work done and any trends and expectations for future work.
  - (iii) This application for approval of Administration Costs is again supported by evidence from an independent costs expert, Mr Ross Nicholas. Mr Nicholas previously prepared reports dated 15 June 2016 (in support of settlement approval) and dated 8 June 2017, 23 June 2017 and 20 June 2018 (in relation to the approval of Administration Costs in previous years).



- (iv) The total amounts for which approval are sought by the four firms involved in the administration of the settlement are as follows (all amounts are inclusive of GST):

	<b>General fees (clause 13.1)</b>	<b>Disbursements</b>	<b>Claim preparation fees (clause 13.2)</b>	<b>Total</b>
<b>Maurice Blackburn</b>	\$1,442,651.10	\$824,367.95	\$1,005,400.00	<b>\$3,272,419.05</b>
<b>Shine</b>	\$1,105,738.95	\$438,231.31	\$649,000.00	<b>\$2,192,970.26</b>
<b>DBH</b>	\$161,020.71	\$7,021.82	\$169,950.00	<b>\$337,992.53</b>
<b>LAM</b>	\$117,263.30	\$10,176.74	\$86,900.00	<b>\$214,340.04</b>
<b>Total</b>	<b>\$2,826,674.06</b>	<b>\$1,279,797.82</b>	<b>\$1,911,250.00</b>	<b>\$6,017,721.88</b>

- (v) During the 2019 Relevant Period, Maurice Blackburn's professional fees tracked broadly in line with expectations at the time of the 2018 MB Administration Report. Maurice Blackburn's average monthly professional fees under clause 13.1 for the 2019 Relevant Period have reduced by almost half in comparison to the 2018 Relevant Period.
- (c) **Section C:** I set out the work done by the Administrators in engaging and instructing Finity and the advice received.
- (d) **Section D:** I discuss the proposed amendments to the Scheme. These amendments are sought on the basis of taxation advice received by the Administrators, and the Administrators consider that the amendments will result in a direct financial benefit to Group Members.
- (e) **Section E:** I discuss the remaining work that will need to be done in order complete the settlement administration, including timelines and current predictions as to costs. The Administrators maintain their expectation that the total Administration Costs (at the conclusion of the settlement administration in circa 2023) will be less than the assumed amount of \$26 million that had been incorporated in the actuarial modelling set out in Mr Atkins' expert report for the purpose of settlement approval.

## SECTION A – PROGRESS OF THE SETTLEMENT ADMINISTRATION

10. I provide the following report on the progress of the settlement administration by reference to the various stages of the process by which Group Members' claims are determined pursuant to the Scheme. This data is current as at 12 June 2019, and encompass the claims being handled by all four firms involved in the administration:

- (i) **Registrations**: a total of 1,777 potential Group Members have registered claims in accordance with clause 4 of the Scheme (**Registrants**), excluding claims that have since withdrawn.
- (ii) **Claim Allocations**: claims of Registrants have been allocated as follows:
  - (i) 767 (43.2%) to Maurice Blackburn;
  - (ii) 729 (41%) to Shine Lawyers;
  - (iii) 142 (8%) to Duncan Basheer Hannon;
  - (iv) 139 (7.8%) to Lempriere Abbot McLeod.
- (iii) **Eligibility determinations**: a total of 1,718 (97% of Registrants) eligibility determinations have been completed in accordance with clause 5 of the Scheme, with Notices of Eligibility having been sent to all these Group Members.
- (iv) **Outcome of eligibility determinations**: of the 1,718 Registrants to whom a Notice of Eligibility has been sent:
  - (i) 1,604 (93%) were found to be eligible to receive compensation (**Eligible Group Members**); and
  - (ii) 114 (7%) were found to not satisfy the criteria for eligibility to receive compensation (**Ineligible Registrants**). To date, four Ineligible Registrants have requested an Eligibility Review pursuant to sub-clause 9.1(a) of the Scheme. Maurice Blackburn has had responsibility for two Eligibility Reviews, one of which was withdrawn and one which was unsuccessful, and Shine has responsibility for two Eligibility Reviews, both of which we unsuccessful.



- (v) **Elections**: of the 1,604 Eligible Group Members to whom a Notice of Eligibility has been sent:
- (i) 1,310 (81.8%) Group Members have elected the Fast Track Resolution pursuant to clause 6 of the Scheme, and I note that this rate of election is the same as the rate that was reported in June 2018;
  - (ii) 293 (18.2%) Group Members have elected (or been deemed to have elected in accordance with clause 6.4 of the Scheme) to have their claim assessed under clause 7 of the Scheme (**Individual Assessment**); and
  - (iii) 1 (0.1 %) has not yet made an election and is within the 42 day period provided for election by clause 6.3 of the Scheme.
- (vi) **Individual Assessment**: of the 293 Eligible Group Members who have elected Individual Assessment, 253 Claim Books have been prepared and allocated to an Assessor, of which 231 have been finally assessed by Assessors in accordance with clause 7.3 of the Scheme.
- (vii) **Liens**: of the 1,604 Eligible Group Members who have made an election:
- (i) 1,507 (94%) have had their Liens resolved in accordance with clause 8 of the Scheme;
  - (ii) 97 (6%) have Liens that are still in the process of being resolved;
  - (iii) a total of \$5,221,689.83 has been paid by the Administrators to lienholders for Residual Liens in accordance with clause 8.3 of the Scheme (noting that the Respondents are responsible for the payment of Assumed Liens in accordance with clause 8.2 of the Scheme). I also note that on the basis of the records maintained by the Administrators, more than \$3,000,000.00 has been paid by the Respondents in relation to Assumed Liens.
- (viii) **Legal Incapacity Claims**: To date, the Administrators have identified 18 Group Member's under a legal incapacity. Of those, pursuant to clause 12 of the Scheme, 14 claims have been approved by Court order (10 of which have subsequently been paid and four are awaiting payment in the next monthly payment schedule), the Administrators are preparing an





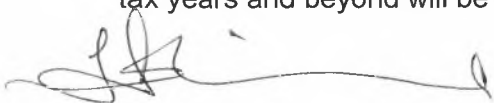

Interlocutory Application for a further three claims, and the remaining one claim is progressing through the Individual Assessment process.

- (ix) **Final Compensation Payments**: of the 1,507 Eligible Group Members who have had their Liens resolved, final payments totalling \$120,182,995.12 have been made to 1,492 Eligible Group Members, representing 84% of Registrants (or 93% of Eligible Group Members).
- (x) **Status of claims that have not yet been paid**: taking into account the number of Registrants (1,777) and the number who have been paid (1,492), and excluding Ineligible Group Members (114), there are 171 Registrants who have not yet been paid. These Registrants are at the following different stages:
  - (i) 59 Registrants have not yet had their eligibility determined, though 23 of these have been invited to withdraw their claims;
  - (ii) 1 Group Member has been found eligible but has not yet made an election for the Fast Track Resolution or Individual Assessment;
  - (iii) 45 Group Members have made an election and are in the process of having their Liens resolved, and with payment to most of these Group Members therefore likely to be made within the next month or two;
  - (iv) 10 Group Members have been found eligible, made an election, have had their Liens resolved and are awaiting payment, for some of these Group Members, the delay in making payment is due to outstanding Grant of Probate that the Executors of Group Members' estates are obtaining or the need to obtain approval for the resolution of claims by Group Members who are under a legal incapacity;
  - (v) 25 additional Group Members elected Individual Assessment and have had their Claim Books prepared, and are awaiting assessment by an Assessor or the Assessor has requested further material in order to be able to complete the assessment, which is currently being obtained by the Administrators;
  - (vi) 31 additional Group Members elected Individual Assessment and are awaiting preparation or finalisation of their Claim Books.




- (xi) **Interim Payment Applications**: interim payments were made to 89 Eligible Group Members in accordance with clause 10.8 of the Scheme.

11. Pursuant to clauses 10.2 and 10.3 of the Scheme, the Administrators are responsible for the investment and management of the Settlement Sum. Since the Settlement Sum was transferred by the Respondents into the Settlement Account on 18 August 2016, the Administrators have maintained a number of different bank accounts, including a low interest transaction account as well as various term deposit accounts that attract higher interest rates.
12. From time to time throughout the course of the settlement administration, various amounts have been transferred between those accounts in order to strike a balance between:
- (i) immediate availability of funds in a transaction account for the purpose of making ongoing payments to Group Members, lienholders and other third parties (for example, experts advising the Administrators as well as hospitals and doctors from whom medical records were sought); and
  - (ii) maximising the interest earned on the Settlement Sum by means of investment in term deposit accounts of varying durations.
13. As at 12 June 2019, the total amount remaining in the various bank accounts is \$86,953,858.87, taking into account all payments made to Group Members, lienholders and for the Applicants' Costs (as approved on 29 June 2016) and Administrations Costs, and taking into account the interest earned to date. This total amount is presently distributed among the following accounts:
- (i) \$13,758,860.10 in the transaction account;
  - (ii) \$73,194,998.77 in a term deposit;
14. As at 1 June 2019, the total interest earned on the Settlement Sum since the settlement accounts were opened is \$11,424,877.70. This includes the pro rata amount of interest notionally earned to date on the term deposit that is yet to mature (with the result that interest has not yet accrued on those accounts). However, as I discuss in more detail in Section D below, the Administrators expect that they will have a tax liability in previous tax years as a result of this interest income, but that if the proposed Scheme amendments are approved the tax implications for the 2019 tax years and beyond will be more favourable.



**SECTION B – WORK PERFORMED AND ADMINISTRATION COSTS**

15. The 2019 MB Administration Report at **JKS-156** contains a breakdown of the monthly amounts of professional fees for each of the 26 areas of the settlement administration work, together with supplementary explanation of and comments on the nature of the work and any patterns and trends during the 2019 Relevant Period (1 April 2018 to 31 March 2019).
16. I prepared the 2019 MB Administration Report with input and assistance from Elizabeth Mukherji, Senior Associate and Megan Greaves, Associate who are responsible for the day to day conduct of the settlement administration. In the 2019 MB Administration Report and in this affidavit, a reference to Maurice Blackburn means the Maurice Blackburn settlement administration team and a reference to the Administrators means Maurice Blackburn and Shine jointly.

**Section B.1 – Administration Costs under clause 13.1 of the Scheme**

17. In Sections B and F of my June 2018 Affidavit, I gave evidence regarding historical Administration Costs as well as my expectations and predictions regarding future Administration Costs. Administration Costs as reported in this affidavit have met the expectations and predictions that I gave in June 2018.
18. In addition to the detailed commentary in the 2019 MB Administration Report, I make the following general remarks about Administration Costs and the work involved in the administration of the settlement since the June 2018 Court update.
19. *First*, Maurice Blackburn's Administration Costs for the 2019 Relevant Period have tracked as anticipated at the time of the June 2018 Court update. *Secondly*, Maurice Blackburn's average monthly fees for the 2019 Relevant Period reduced by almost half in comparison to the 2018 Relevant Period.
20. By way of explanation of this reduction in Administration Costs under clause 13.1 of the Scheme, I first address the different areas of work involved in the settlement administration and, as was also the case in 2018, I do so by reference to the 26 "task codes" that were implemented by the Administrators in 2017. I then address the declining pattern of Administration Costs over time during the 2019 Relevant Period.



- (a) In three (3) of the 26 areas of work in the settlement administration, Maurice Blackburn's average monthly costs increased significantly in comparison to the 2018 Relevant Period. These increases were consistent with my expectations in June 2018 and reflect the evolving priorities and areas of focus in the settlement administration. These areas of work were:
- (i) processing individual assessments (task code 08) – the increase in fees was directly related to the increase in the number of individual assessments being processed as well as increased time associated with some of the more complex claims. Over the 2019 Relevant Period Maurice Blackburn finalised a total of 103 individual assessments (95 Maurice Blackburn Group Members and 8 DBH Group Members) – this means that the average amount per claim is approximately \$2,100, which equates to approximately 3.5 to 4 hours of time in order to process each Individual Assessment;
  - (ii) reviews (task code 09) which, in the vast majority of cases, are reviews sought by Group Members in relation to their individually assessed compensation amounts – average monthly costs were nevertheless still reasonably modest, with approximately \$3,500 on average in each month during the 2019 Relevant Period; and
  - (iii) management of group member data (task code 13) which, as I discuss in greater detail below, is critical in order to ensure the accuracy and reliability of actuarial advice.
- (b) There were six (6) areas of work in which Maurice Blackburn's average monthly costs were comparable to the average monthly fees in the 2018 Relevant Period. These areas of work were:
- (i) registrations (task code 01);
  - (ii) engagement of experts (task code 14);
  - (iii) preparing for court applications (task code 16);
  - (iv) payments (task code 19);



- (v) explants (task code 22) – while costs in this area of work were similar in relative terms to the average monthly costs in the 2018 Relevant Period, in absolute terms these costs were modest; and
  - (vi) legal incapacity (task code 24).
- (c) In each of the remaining 16 areas of work for which chargeable work is carried out, there was a substantial reduction in Maurice Blackburn's average monthly costs in comparison to the 2018 Relevant Period:
- (i) in each of these 16 areas of work, average monthly costs were less than 50% of the average monthly costs for the 2018 Relevant Period;
  - (ii) in ten (10) of the 16 areas there was a reduction of 75% or more compared to the 2018 Relevant Period;
  - (iii) as a result of the settlement administration "infrastructure" having bedded down and now only requiring minor ongoing development, there were substantial reductions in "non-core" work (as I described it in my June 2018 Affidavit at [34]), including workflow and process development (task code 10), IT systems and development (task code 17) and dealing with Assessors (task code 03).
21. Having discussed the relative reduction in Administration Costs under clause 13.1 in the 2019 Relevant Period in comparison to the 2018 Relevant Period, I also note that the five areas of work that generated the largest fees in absolute dollar terms are as follows:
- (a) preparing for court application (task code 16);
  - (b) processing individual assessments (task code 09);
  - (c) payments (task code 19);
  - (d) legal incapacity (task code 24); and
  - (e) managing group member data (task code 13).
22. I also note that in 14 of the 25 chargeable areas of work, Administration Costs under clause 13.1 were in the order of \$3,000 or less on an average monthly basis, which

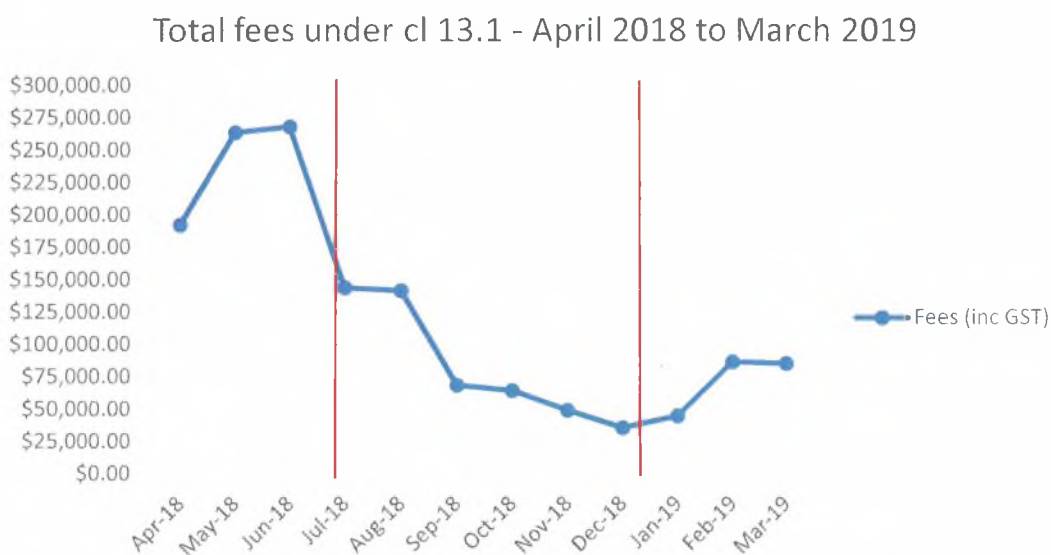



equates to approximately six (6) or seven (7) hours of work in a month, and in 19 of 25 areas of work the average monthly fees were less than \$5,000.

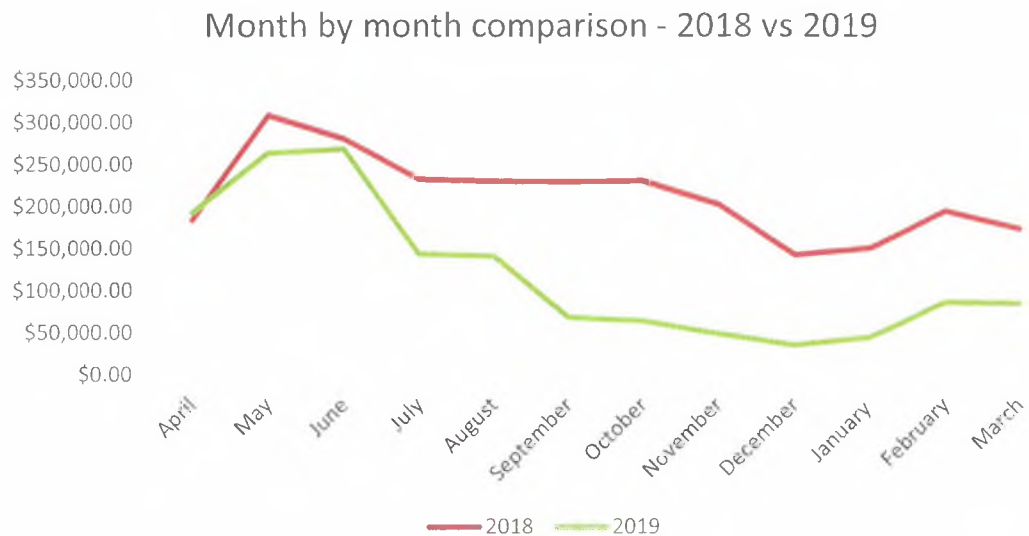
23. As to the pattern of clause 13.1 fees over time, in my June 2018 Affidavit at [99] and [106] I gave evidence regarding my expectations regarding Administration Costs under clause 13.1 from March 2018 until early 2019. As predicted:

- (a) from **March to June 2018**, fees were broadly similar to those in the second half of 2017, which was largely due to the work necessary in order to prepare for the hearing in June 2018 as well as associated claim related work that fed into preparation for the hearing;
- (b) from **July to December 2018**, fees stabilised and reduced in comparison to the period from March to June 2018;
- (c) in **early 2019**, there was a slight increase in fees compared to the second half of the 2018 calendar year – this was largely due to a push by the Administrators to finalise as many outstanding claims as possible, including so that data for those claims could be incorporated in the updated actuarial advice and in that context and for that purpose there was also additional work associated with auditing of data.

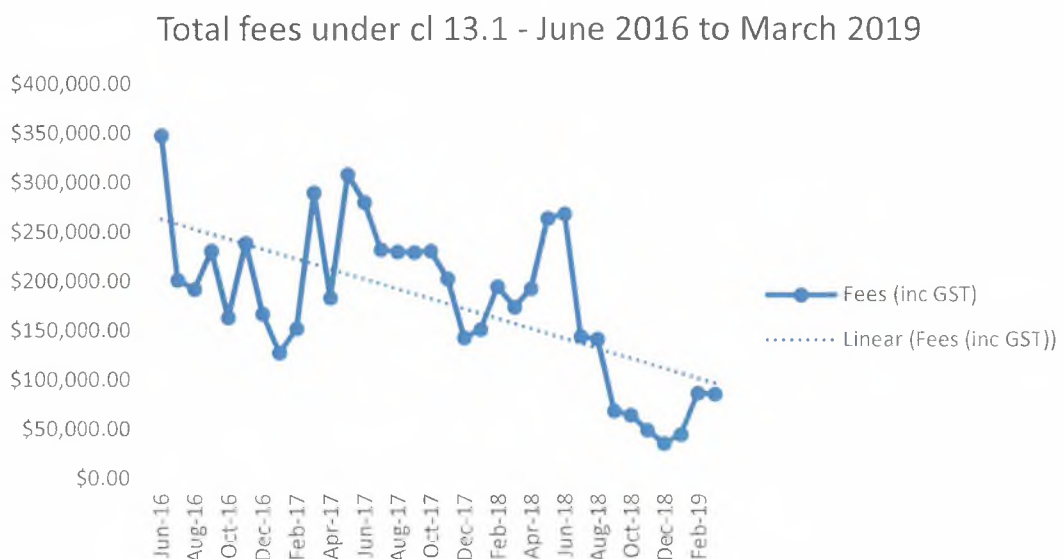
24. These patterns of fees are illustrated in the following graph, with red vertical lines delineating the three periods described above.



25. I also note that in a month by month comparison of fees in successive calendar years, it can be seen in the following graph that there was an appreciable reduction in fees for the 2019 Relevant Period in comparison to the 2018 Relevant Period.



26. Finally, I note the following illustration of Maurice Blackburn's fees under clause 13.1 of the Scheme from the commencement of the administration in June 2016 until March 2019. Overlaid on the monthly fees there is also a statistically generated "line of best fit", which shows an overall downward trend in costs despite monthly fluctuations over time.



**Section B.2 – Administration Costs under clause 13.2 of the Scheme**

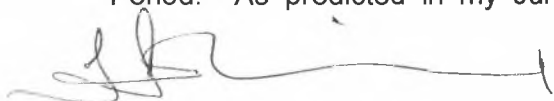
27. During the 2019 Relevant Period, work associated with Eligibility Books continued but at a reduced level. This reduction is directly related to the reduced number of claims being registered and there being no backlog from claims registered earlier.
28. The primary focus of administration work under clause 13.2 of the Scheme during the 2019 Relevant Period has been the preparation of Individual Assessment Claim Books and the resolution of liens. The work involved in preparing Claim Books and resolution of liens remains the same as set out in my June 2018 Affidavit at [42] to [52].

**Section B.3 – Administration work performed where no costs are sought by Maurice Blackburn**

29. For the 2019 Relevant Period, Maurice Blackburn's administration team carried out 499 hours of work that is not being claimed as Administration Costs.
30. As was also the case for the "no charge" work in the 2018 Relevant Period (as summarised in my June 2018 Affidavit at [56] to [59]), in the 2019 Relevant Period the "no charge" work generally consisted of the following:
- (a) time spent instructing and engaging Ross Nicholas as an independent costs expert;
  - (b) work done in order to rectify errors; for example, if there was a clerical error in making payment to a Group Member and this necessitated correspondence with the Group Member and other work in order to rectify the error, payment is not sought for those attendances;
  - (c) work done by Maurice Blackburn's litigation technology staff for the purpose of the administration;
  - (d) work that was done where I or my team made a discretionary decision not to seek payment.

**Section B.4 – Disbursements**

31. As noted above, Maurice Blackburn seeks approval to be reimbursed a total of \$824,368 for disbursements paid by Maurice Blackburn during the 2019 Relevant Period. As predicted in my June 2018 Affidavit, a significant majority of these





disbursements relate to Assessor fees. I provide the following breakdown of disbursements, stratified by reference to the type of disbursement:

- (a) Assessor fees of \$589,580 (71.5%) for individual assessments, reviews, opinions regarding claims by Group Members who are under a legal incapacity, and opinions from Senior Counsel regarding the complex interaction between statutory compensation schemes such as workers compensation and Department of Veterans Affairs and Group Members' entitlements pursuant to the Scheme;
- (b) Expert fees of \$186,354 (22.6%);
- (c) Fees for medical records and reports of \$28,043 (3.4%);
- (d) Counsel fees of \$14,167 (1.7%) for the hearing in 2018 and associated preparation;
- (e) Other miscellaneous expenses (court fees, transcript fees, courier fees etc) of \$6,224 (0.8%).

#### **SECTION C – ACTUARIAL ADVICE**

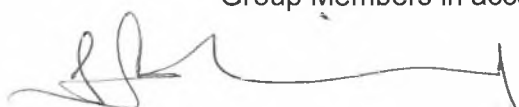
32. The actuarial experts, Geoff Atkins and Adam Payne of Finity have prepared two reports in this matter:

- (a) their first report dated 17 June 2016 was prepared for the purpose of settlement approval application; and
- (b) their second report dated 19 June 2018 contained recommendations regarding the first instalment payment of 90 cents in the dollar to Group Members whose claims were individually assessed.

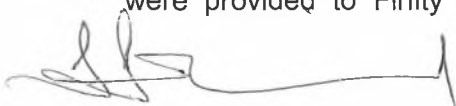
33. Since the hearing in June 2018, the Administrators have been in regular communication with Finity regarding the progress of the administration and the timing of further actuarial advice.

34. In February 2019 the Administrators commenced the process of engaging Finity to provide further advice, namely:

- (a) whether, at this stage, it is appropriate to recommend a final payment to Group Members in accordance with clause 10.6 and 10.7 of the Scheme; or



- (b) alternatively, whether a further installment payment can be made to individually assessed Group Members in accordance with clause 10.4 of the Scheme.
35. On 1 March 2019, the Administrators provided Finity with a complete export of all administration data stored on Maurice Blackburn's settlement administration database (the **Online Database**). Finity reviewed this data and confirmed that they were satisfied that a sufficient number of Group Members' claims had been determined to justify seeking further actuarial advice in accordance with 10.4 or alternatively 10.6 and 10.7 of the Scheme. On 30 April 2019, Finity were provided with an updated complete export of all administration data for the purposes of preparing their advice.
36. As foreshadowed my June 2018 Affidavit at [94] and discussed under task code 13 of the 2019 MB Administration Report, the Administrators have undertaken an internal audit of the administration data in preparation for Finity's updated advice.
37. In addition to the internal audit, on 9 April 2019 the Administrators engaged an audit consulting firm, RSM Australia (**RSM**) to undertake a review in accordance with an agreed scope of work and report on their findings. The engagement of RSM was done at Finity's recommendation and the purpose of the engagement was to assist Finity in assessing the completeness and reliability of the administration data. When engaging RSM, the Administrators worked with Finity to identify the key points of administration data upon which the actuarial modelling and advice would be based and which should be subject to independent review by RSM.
38. The Administrators provided RSM with complete access to the Online Database which contains the primary dataset relied upon by Finity for the purpose of their advice. RSM were given access to both the interface used by the administration teams and the "back end" data tables where all administration data is stored. RSM were also provided access to source documents requested for agreed samples of Group Members. RSM spent a total of seven days at the offices of Maurice Blackburn reviewing the administration data. As Maurice Blackburn is responsible for hosting and maintaining the Online Database on behalf of the Administrators, data for the entire administration could be accessed from Maurice Blackburn's offices.
39. On 6 June 2019, RSM documented the findings from their work. These findings were provided to Finity who subsequently confirmed (as is now also stated in



section 1.3 of Finity's report) that the work undertaken by RSM provided Finity with a sufficient level of confidence about the completeness and accuracy of the administration data upon which they were basing their updated advice.

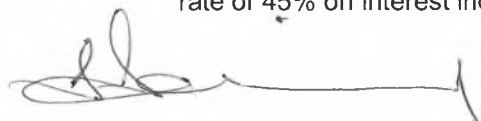
40. The Administrators have now received and filed a report prepared by Mr Atkins and Mr Payne of Finity dated 12 June 2019. In summary this report contains:

- (a) Advice that the estimated number of eligible Group Members has been revised from 1,881 at the time of the Second Report in June 2018, to 1,731. The reduction in the number of estimated Group Members arises from a combination of fewer revisions occurring than were previously projected and a number of potential Group Members evidently not applying to join the Scheme;
- (b) the payment percentage for individually assessed Group Members can be increased from 90% to 100%. This means that those Group Members who have been individually assessed and paid at a rate of 90% of their total assessed compensation can be paid a top-up payment to bring them up to 100% and those eligible Group Members who are individually assessed from now on can be paid at 100% of their total assessed compensation
- (c) based on the progress of the administration to date, it is likely there will be a surplus in the settlement fund after paying all individually assessed Group Members at 100% and therefore a top-up payment to all Group Members (including those Group Members who elected Fast Track Resolution) in accordance with clause 10.7(a) will be possible.

41. I also note the following correction to be made to Finity's report. After the report was filed, Mr Atkins and I realised that some of the dates mentioned in section 6.1.1 were incorrect. Ms Mukherji has confirmed with Mr Atkins that these typographical errors should be corrected and that these errors do not affected Mr Atkins' modelling, analysis or conclusions. The paragraphs in section 6.1.1 should read as follows, with underlining of the corrected text:

#### **6.1.1 Income tax**

In the Second Report we stated that there was uncertainty about the possible liability of the fund for income tax and we were instructed to assume an income tax rate of 45% on interest income.



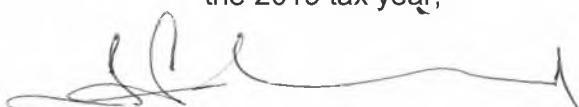

The Scheme Administrators have now instructed us that there will be an income tax assessment of \$3.9 million for the period up to 30 June 2018 and that from 1 July 2018 forward income tax will be based on investment income less scheme administration expenses.

In our cash flow model we have included the \$3.9m of tax expenditure in 2019/20 and calculated income tax for periods from 1 July 2018 onwards as 45% of (investment income less scheme administration expenses).

42. I also note that Mr Atkins' cash flow model includes \$3.9 million of tax expenditure in 2019/2020 because that is the period in which the expenditure will be paid, although the tax liability relates to the 2018 and earlier tax years.

## SECTION D – AMENDMENTS TO THE SCHEME

43. The Administrators seek an order approving amendments to the Scheme (the current Scheme is dated 2 August 2018 and is the fifth version of the Scheme).
44. The Administrators now propose amendments to clauses 10.1 and 13.1(b) of the Scheme on the basis of taxation advice received from PricewaterhouseCoopers (**PwC**). On the basis of that advice, I understand that the amendments are expected to impact on the tax assessment for the year ending 30 June 2019 in a manner that increases the funds that are available to pay to Group Members. The Administrators are the trustees of a trust created by clause 10.1 of the Scheme. The trust has generated income as a result of interest earned on the Settlement Accounts and there is an issue as to the tax liability that arises from that income.
45. In December 2017, the Administrators engaged PwC to prepare and lodge tax returns on behalf of the Scheme as well as provide taxation advice to the Administrators.
46. A copy of the advice that PwC prepared for the Administrators is at **JKS-157**.
47. A copy of the proposed further amended Settlement Scheme is at **JKS-158**.
48. Based on the estimate of tax payable provided to the Administrators by PwC:
- (a) the tax payable by the Administrators for the year ending 30 June 2019 based on the Scheme in its current form would be approximately \$1,350,000.00, which is 45% (the highest marginal tax rate) of the interest income earned in the 2019 tax year;



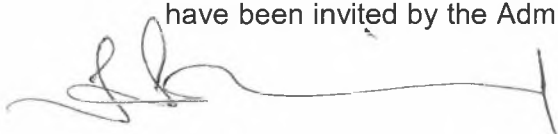

- (b) the tax payable by the Administrators for the year ending 30 June 2019 based on the Scheme in the proposed amended form would be nil.

## **SECTION E – FURTHER WORK AND ADMINISTRATION COSTS**

49. In this section of my affidavit I outline the Administrators' plans and expectations for the remainder of the settlement administration and in doing so I also discuss predictions as to future Administration Costs for the settlement administration as a whole.
50. This section of my affidavit has been prepared in consultation with Ms Jancauskas in particular in relation to the future conduct of the settlement administration and associated costs. The evidence in this final section of my affidavit reflects Ms Jancauskas' and my jointly held views and expectations as the lawyers responsible for the conduct of the two firms appointed as Administrators of the settlement.
51. As I said in my previous affidavits filed in June 2017 and June 2018, the Administrators continue to predict that total Administration Costs following the conclusion of the settlement administration in 2024 will be less than the amount of \$26 million that Mr Atkins assumed for the purpose of his actuarial modelling for the settlement approval application in June 2016. At the time of preparing my previous affidavits there was too much uncertainty regarding the future of the administration so as to enable reasonably reliable estimates of overall costs to be formulated, however in my view the settlement has now reached a stage where these estimates can be made, even if they still carry some uncertainty. If the Court approves the Administration Costs for which approval is presently being sought:
- (a) total Administration Costs to date will be approximately \$17.6 million; and
  - (b) our best estimate at the present time is that total Administration Costs will be between \$22.8 million and \$23.3 million, subject of course to the Court's approval of future amounts.

### **Current status of the administration**

52. As at 12 June 2019 and as noted in Section A above, a total of 1,492 Group Members have received payment. This means that more than 400 Group Members having received payment since my June 2018 Affidavit. Excluding the 114 Group Members who have been found ineligible, and excluding 23 Group Members who have been invited by the Administrators to withdraw their claims due to lack of merit





regarding their eligibility, this means that 90 per cent of Group Members have now received payment.

53. Putting to one side the Group Members who have been invited by the Administrators to withdraw their claims, there are 148 Registered Group Members who have not yet been paid. These Group Members' claims are at different stages of the Scheme's processes, which can be categorised as follows:

- (a) **Early stages** – there are **37 Group Members** whose claims are in early stages of progression through the Scheme's processes – this category includes Group Members whose eligibility has not yet been determined, or whose eligibility has been determined favourably however the Group Member has not yet made an election as to the Fast Track Resolution or Individual Assessment;
- (b) **Middle stages** – there are **56 Group Members** who elected Individual Assessment and whose claims are at varying stages of preparation – in particular, 25 Group Members have had their Claim Books prepared and are awaiting determinations by Assessors (and in some cases the Assessors have requested additional materials to be prepared or obtained) and the remaining 31 Group Members are in the process of having their Claim Books prepared; and
- (c) **Final stages** – there are **55 Group Members** whose claims are in late stages – all Group Members in this category are at varying stages of finalising their claim, including having their Liens resolved, or awaiting payment in the next cycle, and in some instances this also involves ancillary work associated with deceased estates or legal incapacity.

54. The composition of these categories is fluid from month to month as Group Members' claims progress; for example a Group Member whose claim is in its early stages will move into the middle category upon making an election for Individual Assessment. Nevertheless this categorisation of claims provides an insight into the Administrators' priorities over the next 12 months and timeframes for the resolution and payment of these claims, as discussed in the next section below.

55. In addition, based on the most recent actuarial advice from Mr Atkins and Mr Payne, at the present time the Administrators are operating on the assumption that an **additional 100 Group Members** will enter the settlement administration process



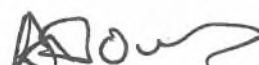
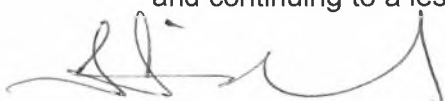
between now and June 2023, in advance of the settlement administration being wound up in the first half of 2024.

### **Arrangements for the future conduct of the settlement administration**

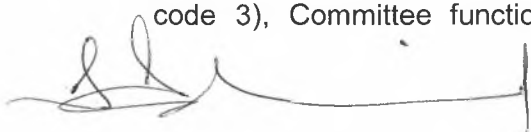
56. During the second half of 2018 Maurice Blackburn and Shine had a number of discussions regarding the future of the settlement administration in which it was agreed that in the longer term it would be in the best interests of Group Members for only one firm to be involved in completing the administration. Subject to the Court's views and any orders of the Court, we agreed that Maurice Blackburn should ultimately assume sole responsibility for the settlement administration. This is due to the functional reasons that Maurice Blackburn:

- (a) developed and hosts the settlement administration database (that is, the Online Database discussed in Section C above) that records critical information regarding Group Members' claims, and this database is also directly linked to the online registration facility as well as the online portal used by Assessors in order to input the results of their assessments and also the online payment facility used by Group Members in order to enter banking details; and
- (b) is the account holder for the various bank accounts constituting the Settlement Account and, relatedly, Maurice Blackburn has been responsible for payments to Group Members, lienholders and others and in this regard Maurice Blackburn has in conjunction with its bankers developed the technical systems and processes that are needed in order to effect periodic EFT payments en masse in the circumstances of this administration.

57. The Administrators consider that the joint appointment has been beneficial for Group Members in terms of the efficiency of claims processing as well as some of the reasons relating to class action settlements involving personal injury claims as discussed by Murphy J in *Caason Investment Pty Ltd v Cao (No 2)* [2018] FCA 527 at [158]. However as a result of the constantly diminishing number of extant claims and the modest estimate of future registrations, the Administrators formed the view that if only one firm is responsible for the administration, this would reduce costs as the number of ongoing claims continues to decline, and that this benefit will outweigh the potential value of continuing to have multiple firms involved in the administration (as has been the case for the first three years of the administration, and continuing to a lesser extent for the next 12 months).



58. As the first steps in implementing these arrangements, the Administrators made amendments to the online registration facility and also resolved that any claims registered from October 2018 onwards would only be allocated to Maurice Blackburn and not to Shine, DBH or LAM. These processes will result in the eventual withdrawal of Shine as well as DBH and LAM once they complete the assessment of claims for which they are currently responsible and once any associated general administration work likewise reduces over time.
59. Due to the somewhat unpredictable timeframes associated with the finalisation of claims, it is difficult to estimate exactly when this will occur. However, having regard to the three different categories described above, our prediction is that:
- (a) by **September 2019**, the Administrators will have paid most if not all of the 55 Group Members in the final stages of their claim as described above;
  - (b) by **December 2019**, the Administrators will have finalised and paid the claims of:
    - (i) many of the 56 Group Members who are currently in the middle stages of their individually assessed claims; and
    - (ii) some of the 37 Group Members who are currently in the early stages of their claims and in particular those who later decide to elect the Fast Track Resolution;
  - (c) by **June 2020**, the Administrations will have finalised and paid most if not all of the remaining Group Members whose claims had not been finalised and paid by the earlier timeframes discussed immediately above.
60. In other words, I expect that all or almost all of the 148 presently unpaid Group Members will have been paid by June 2020. Among these 148 Group Members, 75 claims are allocated to Shine, 9 to DBH and 25 to LAM, with the balance allocated to Maurice Blackburn.
61. As the second step in transitioning towards one firm having sole responsibility for the settlement administration, Shine has already begun to wind back its involvement in certain areas of the administration, and I expect that this will be the case even more so for the remainder of the 2019 calendar year and beyond. These areas of work include registrations / allocations (task code 1), dealing with Assessors (task code 3), Committee functions (task code 5), interim payments (task code 6),





deemed revisions (task code 7), workflow / process development (task code 10), bulk updates to Group Members (task code 12), engagement of experts such as PwC, Finity (task code 14), IT systems development and maintenance (task code 17), financial / accounting issues (task code 18).


62. This means that for the remainder of 2019 and continuing until around June 2020, Shine's ongoing work will relate primarily to claim preparation work as well as "core" areas of general administration work that is directly related to the processing of claims through the Scheme (such as eligibility determinations (task code 2), preparing and sending notices (task code 4), processing individual assessments (task code 8), reviews (task code 9), payments (task code 19) and dealing with deceased estate and legal incapacity issues (task codes 23 and 24)). There will be residual work by Shine in dealing with LAM (task code 20) in order to assist them to finalise their own claims and also with Maurice Blackburn in order to coordinate the Administrators' work (task code 21) and other third parties (task code 25). In a more limited sense, I also expect some work to be done by Shine for the case management hearing in June 2020 (task code 16) and this will also involve work in managing Group Member data (task code 13).
63. Over the next 12 months, any new registrations will be allocated solely to Maurice Blackburn as outlined above. These new claims will be processed in the usual way and I expect that some of these claims will be ongoing as at June 2020. Maurice Blackburn will also gradually assume more responsibility for general administration work as Shine's work continues to taper off (and likewise the work of DBH and LAM will taper off).
64. Beyond June 2020, the roles of Shine, DBH and LAM will have entirely or almost entirely concluded and Maurice Blackburn will become solely responsible for the settlement administration. In approximately 12 months' time, the Administrators will also apply for orders formalising the arrangements for the future conduct of the administration including any amendments to the Scheme and variation of the order made on 29 June 2016 by which Shine and Maurice Blackburn were jointly appointed as the Administrators of the Scheme.
65. In the next sections of my affidavit I provide an estimate of future Administration Costs until the completion of the settlement administration, and I do so by providing separate estimates for costs under clause 13.1, costs under clause 13.2 and disbursements.



**Future Administration Costs – clause 13.1**

66. In light of the future conduct of the settlement administration as outlined above, my team and I considered and estimated future Administration Costs under clause 13.1 of the Scheme. In preparing this estimate, we evaluated each of the 26 task codes and prepared an estimate for each month from April 2019 until March 2024. In preparing these monthly estimates for each task coded area of work, we considered:
- (a) our general expectations regarding the levels of work required in different areas of the settlement administration over time, taking into account our plans for the future conduct of the administration and the implications of the arrangements discussed above;
  - (b) for some areas of work such as eligibility determinations, preparing and sending notices, processing individual assessments and payments, costs are somewhat correlated to the number of claims, so our estimates were prepared in light of historical costs and then recalibrated by reference to the number of future claims;
  - (c) in other areas of work, such as managing Group Member data or preparing for a Court application or the engagement of experts, costs are not directly related to the number of extant claims at any given time;
  - (d) in some instances, costs are influenced by certain milestones or events – the most obvious example is the preparation for court applications which has historically generated significant costs that are mostly clustered around the months of March to June in readiness for a hearing in June of each year, and with associated work involved in engaging experts during those times.
67. In light of the process outlined above, our estimate is that Maurice Blackburn's fees under clause 13.1 for the five years from April 2019 until March 2024 will be in the range of \$2.2 million to \$2.4 million.
68. The five areas of work that have the highest estimates are as follows, and collectively these five areas of work account for an estimated \$1.49 million, which is approximately two thirds of Maurice Blackburn's estimated total future costs under clause 13.1:

- (a) Preparing for court application (\$599,000);

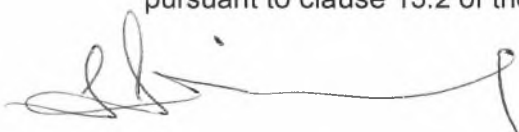


- (b) Payments (\$256,000);
- (c) Engagement of experts (\$245,000);
- (d) Processing individual assessments (\$243,000);
- (e) Eligibility determinations (\$146,000).

69. In 15 of the 26 task coded areas of work, our average monthly estimate is less than \$1,000 per month (which equates to around two hours of work per month) for the remaining 60 months of the administration.
70. Although we used our best efforts to provide our present estimate of future costs, it is difficult to predict with certainty the nature or extent of work several years into the future. In some instances we made generous allowances that might ultimately turn out to be significant over-estimates, however I expect that there will also be other areas where costs turn out to be higher than estimated. In future years of the settlement administration we will refine our estimates on an ongoing basis and over time I expect that the estimates will become increasingly more accurate.
71. Shine undertook a similar exercise in estimating their future costs under clause 13.1 by reference to each of the task coded areas of work, but on the basis that their costs would cease to be incurred from July 2020 onwards. Ultimately it may be necessary for Shine to continue to undertake a low volume of work in finalising a small number of claims for a short period beyond June 2020, however for present purposes the Administrators assume that Shine's work will cease in 12 months' time in June 2020. Ms Jancauskas informs me that her estimate of Shine's costs under clause 13.1 of the Scheme is in the range of \$400,000 to \$450,000.
72. In addition, on the basis that DBH's and LAM's work will taper off over the next 12 months and having regard to their historical costs, I estimate that DBH and LAM may incur costs under clause 13.1 of around \$30,000 each.
73. On this basis, I estimate that total Administration Costs under clause 13.1 from April 2019 until March 2024 will be in the range of \$2.6 million to \$2.9 million.

#### **Future Administration Costs – clause 13.2**

74. I have estimated the future Administration Costs that are likely to be incurred pursuant to clause 13.2 of the Scheme, taking into account:




- (a) the number of registered claims including any elections that have already been made;
  - (b) the number of claims where no election has been made, including the 100 claims that I assume (on the basis of Mr Atkins' advice) will be registered in the future, and for all these claims assuming an election rate of 70 per cent for the Fast Track Resolution (consistently with Mr Atkins' assumption regarding future election rates);
  - (c) the costs approved by the Court in 2017 and 2018 as well as the costs for which approval is currently sought and, conversely, the total number of claims for which approval has not yet been sought under clause 13.2; and
  - (d) in light of the above, current allocations of claims to Maurice Blackburn, Shine, DBH and LAM and the status of those claims.
75. My estimate of future Administration Costs under clause 13.2 across the four firms is as follows:

	<b>Fast Track Resolution</b>	<b>Individual Assessment</b>	<b>Total</b>
<b>MB</b>	\$229,250	\$399,750	\$629,000
<b>Shine</b>	\$79,500	\$481,500	\$561,000
<b>LAM</b>	\$12,500	\$157,500	\$170,000
<b>DBH</b>	\$6,000	\$79,500	\$85,500
<b>Total</b>	<b>\$327,250</b>	<b>\$1,118,250</b>	<b>\$1,445,500</b>

76. The spread of these costs across the four firms may vary to a minor extent if any claims are re-allocated, however at the present time I consider that the total amount is a reasonable estimate of future costs under clause 13.2, particularly having regard to the total number of claims and their likely distribution among the two different compensation pathways.

#### **Future Administration Costs – disbursements**

77. Having regard to the categories of disbursements identified in Mr Nicholas' reports, I have considered and estimated the future disbursements that are likely to be incurred after June 2019. This estimate is for the settlement administration as a




whole (rather than only the types of disbursements that have historically tended to be paid by Maurice Blackburn):

Disbursements	Total	Notes
Finity (actuarial experts)	\$260,000	Takes into account the cost of previous reports and assumes that a report will be needed in three of the five remaining years from July 2019 until June 2024  This estimate also includes this year's report, the costs of which have not yet been invoiced to Maurice Blackburn
PwC (tax advisors)	\$50,000	Assumes \$5,000 per year from 2020 until 2024 in order to prepare tax returns, and assumes a larger amount including for advice in 2019
Ross Nicholas (costs expert)	\$160,000	Takes into account the cost of previous reports and assumes that a report will be needed in three of the five remaining years from July 2019 until June 2024  This estimate also includes this year's report, the costs of which have not yet been invoiced to Maurice Blackburn
Assessors	\$500,000	Assumes that there are 120 assessments to be completed  Based on previous trends, assumes these are split at 85% at a higher rate of \$4,400 per claim and 15% at the lower rate of \$2,750 per claim
Review Assessors	\$75,000	Assumes a rate of \$5,280 per claim and, based on previous trends, assumes 12% of the 120 future assessments result in a Review
Assessor advice (Statutory compensation scheme cross over issues; Legal incapacity; etc)	\$35,000	Lump sum based on current estimates of the likely need for this type of advice until the end of the settlement administration
Medical records and reports	\$110,000	Relates primarily to medical records  Assumes 146 Group Members still require medical records and (consistently with previous experience) these medical records cost \$750 per claim
Miscellaneous costs (transcript fees; filing fees; courier costs; etc)	\$30,000	Assumes \$5,000 in each year from 2019 until 2024
<b>Total</b>	<b>\$1,220,000</b>	

78. Some of the assumptions and other estimates used in the calculations in the above table might ultimately prove to vary in one direction or another, however these are




the best estimates that I am presently able to give based on my experience over the last three years and my expectations regarding the future. There may be other unexpected types of disbursements from time to time, although I would expect that these other types of expenses will overall be relatively modest.

#### **Future Administration Costs – summary and conclusion**

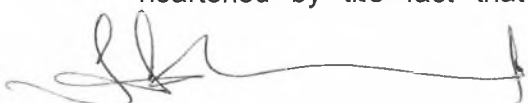
79. In summary, total future Administration Costs are presently estimated as follows:

<b>Nature of costs</b>	<b>Amount</b>
Clause 13.1 – General administration costs	\$2.6 million to \$2.9 million
Clause 13.2 – Claim preparation costs	\$1.44 million
Disbursements	\$1.22 million
<b>Total</b>	<b>\$5.26 million to \$5.56 million</b>

80. Taking into account the Administration Costs approved in 2017 and 2018 and sought to be approved in 2019 totalling \$17.6 million, in our estimation the total Administration Costs until the completion of the settlement administration in 2024 will be in the range of \$22.8 million to \$23.3 million.
81. If our estimates prove to be correct, the average Administration Costs for the estimated 1,731 Group Members will be \$13,500. This average estimate of the cost per claim (incorporating both fees and disbursements) takes into account all work involved in registering, preparing, assessing, resolving and paying each person's claim, and it also takes into account all costs involved in establishing the tailored processes and systems that were needed in order to administer the settlement in a reliable, accurate, consistent and acceptably risk free manner.
82. In my June 2018 Affidavit at [111] to [113], I gave evidence regarding an independent legal costing expert's report on the range of reasonable solicitor-client costs in uncontested damages assessments in the Supreme Court and Country Court of Victoria. That report is now publicly available at the following URL, and the report can be made available to the Court if it would be useful to do so:


<https://www.mauriceblackburn.com.au/media/4476/alcg-report.pdf>


83. While Administration Costs for claim preparation under clause 13.2 are inflexibly calculated by reference to fixed fee amounts and the total volume of claims, I am heartened by the fact that Administration Costs under clause 13.1 declined




significantly in comparison to the previous 12 months for which approval was sought in June 2018. There is evidently a downward trend in Administration Costs under clause 13.1 and I expect these costs to stabilise at a modest level each month especially beyond June 2020. In future years I will continue to refine my estimates of Administration Costs and report these updated estimates to the Court each year.

Affirmed by the deponent  
at Sydney  
in New South Wales  
on **14 June 2019**  
Before me:

)   
)  
) \_\_\_\_\_  
) Signature of deponent

  
\_\_\_\_\_  
Signature of witness

Australian Legal Practitioner within the meaning of the Legal Profession Uniform Law (NSW)

**ANNA BETH WILLIAMS**  
of Level 32, 201 Elizabeth Street, Sydney  
an Australian Legal Practitioner  
within the meaning of the  
Legal Profession Uniform Law (NSW)

**Certificate Identifying Annexure JKS – 156**

No. NSD 213 of 2011

Federal Court of Australia

District Registry: New South Wales

Division: General

**Tammy Stanford** and Another

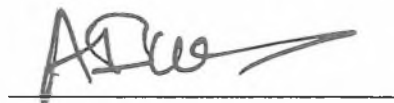
Applicants

**DePuy International Limited** and Another

Respondents

This is the annexure identified as **JKS- 156** referred to in the affidavit of **JULIAN KLAUS SCHIMMEL** affirmed at Sydney on 14 June 2019.

Before me



Lawyer with a current practising certificate

**ANNA BETH WILLIAMS**  
of Level 32, 201 Elizabeth Street, Sydney  
an Australian Legal Practitioner  
within the meaning of the  
Legal Profession Uniform Law (NSW)



## 2019 MB ADMINISTRATION REPORT

For the purpose of the report to the Court in June 2018, Maurice Blackburn prepared a report setting out the monthly amounts of professional fees for each of the 26 areas of settlement administration work<sup>1</sup> and providing a detailed description of the nature of the work done in each area and commenting on any patterns or trends in costs as well as setting out expectations for future work.

For the purpose of the report to the Court in June 2019, Maurice Blackburn prepared an update to the earlier 2018 report. In the updated 2019 MB Administration Report, we retained the content of the 2018 report<sup>2</sup> and supplemented it with:

1. the monthly amounts of professional fees for the period from April 2018 until March 2019 (**2019 Relevant Period**); and
2. supplementary explanations of and comments on the nature of the work and any patterns and trends during the 2019 Relevant Period.

Retention of the content from the 2018 report will enable the Court to contextualise the new information for the 2019 Relevant Period. In each section relating to each area of work, this report is therefore structured so that it sets out (1) a table of monthly costs for the 2018 Relevant Period followed by a table of monthly costs for the 2019 Relevant Period and (2) the description of the work as set out in the 2018 report (in italicised text) followed by supplementary description for the 2019 Relevant Period. As with the 2018 report:

1. the 2019 MB Administration Report was prepared by Julian Schimmel (Principal Lawyer), Elizabeth Mukherji (Senior Associate) and Megan Greaves (Associate) of Maurice Blackburn; and
2. a reference to Maurice Blackburn means the Maurice Blackburn settlement administration team and a reference to the Administrators means Maurice Blackburn and Shine jointly.

By way of summary of the costs for the 2019 Relevant Period:

1. Maurice Blackburn's average monthly fees for the 2019 Relevant Period reduced by almost half in comparison to the 2018 Relevant Period;
2. there were three areas of work in which average monthly costs increased appreciably in comparison to the 2018 Relevant Period – these areas were the processing of individual assessments (task code 08), reviews (task code 09) and management of Group Member data (task code 13) and in each case the increased costs reflect the evolving priorities and changing composition of work as more and more Group Members' claims are finalised;
3. there were six areas of work in which average monthly costs were broadly in line with costs in the 2018 Relevant Period – in particular task codes 01, 14, 16, 19, 22 and 24;<sup>3</sup>

<sup>1</sup> For all monthly invoices since February 2017, the Administrators started using 26 "task codes" so that work done and time recorded in administering the settlement could be stratified by reference to various different areas of work and functions under the Settlement Scheme.

<sup>2</sup> The 2018 report deals with Maurice Blackburn's monthly fees from February 2017 to March 2018 (**2018 Relevant Period**).

<sup>3</sup> Costs under task code 15 were also (by their nature) the same as for the 2018 Relevant Period because in each period Maurice Blackburn has not sought recovery of work done in engaging the costs expert Ross Nicholas.

4. there were 16 areas of work in which average monthly costs reduced significantly in comparison to the 2018 Relevant Period – in each of these 16 areas of work the average monthly costs for the 2019 Relevant Period were less than 50% of the average monthly costs in the 2018 Relevant Period, and in ten of the 16 areas the reduction in average monthly costs was in the order of one quarter or less than the average monthly costs for the 2018 Relevant Period.

The table below provides an overview of Maurice Blackburn's fees associated with each area of work in the 2019 Relevant Period. Red shading denotes the areas in which average monthly costs increased appreciably in comparison to the 2018 Relevant Period whereas blue shading denotes that average monthly costs were broadly in line with those in the 2018 Relevant Period. In all other (non-shaded) areas there was a substantial reduction in average monthly costs.

TASK CODE	Total Professional Fees (inc GST)	% of Total Costs
1. Registration/Allocation	\$61,922.30	4.29%
2. Eligibility Determinations	\$36,928.10	2.56%
3. Dealing with Assessors	\$19,729.60	1.37%
4. Preparing/sending notices to Group Members	\$31,263.10	2.17%
5. Committee functions	\$40,404.10	2.80%
6. Interim Payments	\$9,014.50	0.62%
7. Deemed Revision	\$6,444.90	0.45%
8. Processing Individual Assessments	\$218,357.70	15.14%
9. Reviews	\$42,540.30	2.95%
10. Workflow/process development	\$10,939.50	0.76%
11. Group Member enquiries	\$17,372.30	1.20%
12. Bulk updates to Group Members	\$11,600.60	0.80%
13. Managing Group Member data	\$110,044.00	7.63%
14. Engagement of experts	\$48,917.00	3.39%
15. Engagement of costs expert (no charge)	\$0.00	0.00%
16. Preparing for court application	\$220,932.80	15.31%
17. IT systems development	\$52,582.20	3.64%
18. Financial/accounting	\$18,348.00	1.27%
19. Payments	\$159,525.30	11.06%
20. DBH/LAM	\$10,557.80	0.73%
21. Shine general	\$11,919.60	0.83%
22. Explants	\$23,082.40	1.60%
23. Estates	\$24,502.50	1.70%
24. Legal incapacity	\$129,020.10	8.94%
25. Other third party dealings	\$30,776.90	2.13%
26. Other	\$95,925.50	6.65%
<b>TOTAL</b>	<b>\$1,442,651.10</b>	<b>100%</b>

The remainder of this report contains the discussion of each of the 26 areas of work and associated costs.

## 01.00 Processing registrations and allocation of registrations

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$4,075.50	2.68%	12.38%	87.62%
Mar-17	\$7,097.20	2.45%	28.57%	71.43%
Apr-17	\$3,023.90	1.65%	14.29%	85.71%
May-17	\$5,665.00	1.84%	13.82%	86.18%
Jun-17	\$3,119.60	1.11%	8.14%	91.86%
Jul-17	\$10,219.00	4.40%	16.09%	83.91%
Aug-17	\$6,835.40	2.97%	22.02%	77.98%
Sep-17	\$4,758.60	2.07%	12.10%	87.90%
Oct-17	\$3,799.40	1.65%	16.49%	83.51%
Nov-17	\$2,819.30	1.39%	12.16%	87.84%
Dec-17	\$3,499.10	2.45%	19.32%	80.68%
Jan-18	\$5,989.50	3.97%	22.45%	77.55%
Feb-18	\$9,010.10	4.63%	22.97%	77.03%
Mar-18	\$10,896.60	6.27%	32.81%	67.19%
<b>Total</b>	<b>\$80,808.20</b>	<b>-</b>	<b>19.90%</b>	<b>80.10%</b>
<b>% of Total Costs</b>	<b>2.69%</b>	<b>-</b>		

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$9,766.90	15.77%	21.07%	78.93%
May-18	\$11,156.20	18.02%	17.38%	82.62%
Jun-18	\$3,087.70	4.99%	21.35%	78.65%
Jul-18	\$3,755.40	6.06%	11.32%	88.68%
Aug-18	\$3,361.60	5.43%	22.89%	77.11%
Sep-18	\$3,418.80	5.52%	13.64%	86.36%
Oct-18	\$5,439.50	8.78%	14.86%	85.14%
Nov-18	\$6,670.40	10.77%	9.09%	90.91%
Dec-18	\$3,456.20	5.58%	19.54%	80.46%
Jan-19	\$3,622.30	5.85%	17.17%	82.83%
Feb-19	\$1,743.50	2.82%	56.41%	43.59%
Mar-19	\$6,443.80	10.41%	18.54%	81.46%
<b>Total</b>	<b>\$61,922.30</b>	<b>100.00%</b>	<b>17.90%</b>	<b>82.10%</b>
<b>% of Total Costs</b>	<b>4.29%</b>			

## 2018 Relevant Period

*Maurice Blackburn continues to be responsible for updating and maintaining the online registration facility in accordance with clause 4 of the Scheme and clause 6 of the Settlement Protocol (version 2) dated 19 May 2017 (**Settlement Protocol**) and allocating claims to one of the four law firms involved in the administration. A significant proportion of this work was done by paralegal staff rather than by lawyers.*

*Costs associated with registrations and allocations fluctuates depending on the number of new registrations received each month and the nature of those registrations. Between December 2017 and January 2018, there was a reduction in the time spent on registrations and allocations due to staff being on leave during the festive season. This resulted in an increase in work associated with registrations in February 2018 when those new registrations and enquiries received during December 2017 and January 2018 were processed.*

*In March 2018 there was a slightly higher than normal number of enquiries from individuals who had missed the registration deadlines or who had been implanted with a non-ASR device. In March 2018 there was also a particularly complex and time sensitive enquiry from an individual with a potential Deemed ARS Revision claim. Maurice Blackburn needed to manage this particular registration quickly to ensure the individual's rights were not impacted and this resulted in an increase in time spent on registrations for this month.*

*As the administration has progressed, Maurice Blackburn noticed an increase in registrations that fell outside of the registration deadline, including the period during which the Administrators have discretion to accept a late registration. In response to this the online registration facility was updated to prevent registration by anyone who had missed the registration deadline as set out in clauses 4.3, 4.5 and 4.6 of the Scheme.*

*Following the implementation of this change to the online registration facility, Maurice Blackburn noticed a slight increase in telephone enquiries from people who were prevented from registering online as a result of the change in the online facility mentioned above. Overall the time taken to manage this increase in enquiries is less than the time taken to manage these registrations through the process had they submitted a registration through the online facility.*

*As a result of an increase in enquiries from non-ASR patients, the Administrators propose an amendment to the Scheme, as described in the affidavit of Julian Schimmel dated 20 June 2018.*

*During the Relevant Period, there were:*

- a) 71 new registrations, representing an average of approximately 5 per month*

*New registrations for the Relevant Period have been allocated across the four firms as follows:*

- a) 34 Maurice Blackburn*
- b) 27 Shine*
- c) 7 DBH*
- d) 3 LAM*

*The Administrators expect that approximately 230 new claims will be registered between now until the conclusion of the administration in 2023, which equates to an average of 4 new registrations per month.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with registrations and allocations continued at approximately the same rate as work in this area during the 2018 Relevant Period, with average monthly costs of around \$5,160 (compared to \$5,770 in the 2018 Relevant Period).

Maurice Blackburn continues to have responsibility for updating and maintaining the online registration facility and processing new registrations. A significant portion of this work continues to be done by paralegal staff rather than by lawyers.

During the 2019 Relevant Period, there were a total of 35 new registrations. This equates to an average of 3 new registrations per month. The actuarial advice obtained at the time of the 2018 MB Administration Report anticipated an average of 4 new registrations per month for the remainder of the Administration.

In October 2018, the Administrators agreed all new registrations would be allocated solely to Maurice Blackburn rather than allocations continuing to be spread across Shine, DBH and LAM. The reason why new registrations are now only being allocated to Maurice Blackburn is that the Administrators agreed that the roles of the other three firms would be phased out over time, with Maurice Blackburn ultimately remaining as the sole Administrator.

Between April 2018 and the change in process in October 2018 new registrations were allocated across the four firms as follows:

- a) 12 Maurice Blackburn
- b) 8 Shine
- c) 1 DBH
- d) 1 LAM

Since the change in process in October 2018, there have been 13 new registrations which have been allocated to Maurice Blackburn.

During the 2019 Relevant Period, time spent on registrations fluctuated from month to month. In April and May 2018, Maurice Blackburn spent time preparing and sending communications to a number of registered group members regarding the withdrawal of their claim and to providing details of their rights under the Scheme. The Administrators recommend that a registered group member withdraw their claim if on the basis of the material available to the Administrators it is likely the group member would be found ineligible at that time, for example they have not undergone revision surgery, but it appears that at a later point in time and prior to the 13 year limitation period they may undergo a revision and be found eligible. Withdrawal of the claim preserves their rights to register a claim at a later point in time. From June 2018, this fluctuation was due to more complex and time sensitive registration enquiries having to be dealt with. As the administration progresses, the Administrators are noticing that although there are fewer numbers of registrations to be processed a higher proportion of them are more complex and time sensitive due to issues such as uncertainty about whether the person was implanted with an ASR device, enquiries on behalf of individuals under a legal incapacity where limited information about their circumstances are available, or individuals who are approaching the 13 year anniversary of the ASR implant and have begun developing symptoms or received medical advice that a revision may be required.

## 02.00 Eligibility Determinations

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$29,279.80	19.22%	92.01%	7.99%
Mar-17	\$32,216.80	11.11%	54.92%	45.08%
Apr-17	\$22,259.60	12.13%	63.23%	36.77%
May-17	\$13,879.80	4.50%	70.08%	29.92%
Jun-17	\$11,862.40	4.23%	81.94%	18.06%
Jul-17	\$32,564.40	14.01%	92.64%	7.36%
Aug-17	\$28,460.30	12.36%	95.58%	4.42%
Sep-17	\$18,807.80	8.20%	93.02%	6.98%
Oct-17	\$16,154.60	7.00%	82.81%	17.19%
Nov-17	\$13,191.20	6.51%	81.33%	18.67%
Dec-17	\$9,039.80	6.33%	95.80%	4.20%
Jan-18	\$12,790.80	8.48%	99.49%	0.51%
Feb-18	\$9,716.30	5.00%	73.99%	26.01%
Mar-18	\$5,102.90	2.94%	97.53%	2.47%
<b>Total</b>	<b>\$255,326.50</b>	<b>-</b>	<b>81.78%</b>	<b>18.22%</b>
<b>% of Total Costs</b>	<b>8.51%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$10,455.50	28.31%	95.91%	4.09%
May-18	\$4,151.40	11.24%	94.44%	5.56%
Jun-18	\$5,404.30	14.63%	86.96%	13.04%
Jul-18	\$4,123.90	11.17%	80.00%	20.00%
Aug-18	\$664.40	1.80%	83.33%	16.67%
Sep-18	\$961.40	2.60%	50.00%	50.00%
Oct-18	\$574.20	1.55%	41.67%	58.33%
Nov-18	\$268.40	0.73%	100.00%	0.00%
Dec-18	\$1,031.80	2.79%	100.00%	0.00%
Jan-19	\$2,888.60	7.82%	100.00%	0.00%
Feb-19	\$3,789.50	10.26%	100.00%	0.00%
Mar-19	\$2,614.70	7.08%	100.00%	0.00%
<b>Total</b>	<b>\$36,928.10</b>	<b>100.00%</b>	<b>90.98%</b>	<b>9.02%</b>
<b>% of Total Costs</b>	<b>2.56%</b>			



## 2018 Relevant Period

*Eligibility determinations continue to be carried out by the Administrators in accordance with clause 5 of the Scheme and clause 7 of the Settlement Protocol and as set out at [40] of the 8 June 2017 Affidavit of Julian Schimmel (8 June 2017 Affidavit).*

*Maurice Blackburn has completed a total of 860 eligibility determinations for Maurice Blackburn and DBH Group Members. Of these, 19 were determinations of Deemed ASR Revision claims.*

*As with Deemed ASR Revision claims discussed below under task code 07, there can be ancillary tasks associated with the eligibility determination process such as communications between team members and a senior lawyer regarding the complexities of a claim involving, for example, if there is potential trauma or infection, correspondence with the Group Member and drafting letters to the Group Member to obtain further information. Work associated with obtaining any further material to be added to the Eligibility Book is included in the fixed claim preparation costs under clause 13.2 of the Scheme.*

*Work associated with eligibility determinations also includes work done by the Administrators auditing eligibility determinations in accordance with clause 7.4 of the Settlement Protocol and corresponding with DBH and LAM regarding eligibility determinations for their allocated Group Members.*

*In February 2018 the Administrators agreed to alter the process for auditing eligibility determinations under clause 7.4 of the Settlement Protocol. As the number of eligibility determinations was tapering off and no longer occurring at a consistently high volume, the Administrators agreed it was appropriate for every 10<sup>th</sup> eligibility determination be audited rather than the Administrators waiting until there was a complete list of 20 from which 2 would be randomly selected for audit.*

*As the administration has progressed over the Relevant Period and Maurice Blackburn has become more experienced, it was decided that it was appropriate for eligibility determinations to be undertaken by two senior lawyers (in accordance with sub-clause 5.6(f) of the Scheme) rather than a senior lawyer and a Principal. This change to the composition of senior lawyers performing the eligibility determinations was approved by the Committee.*

*Between February 2017 and September 2017 there was a relatively high amount of costs in comparison to the period from October 2017 until March 2018. Between February 2017 and September 2017 Maurice Blackburn worked intensively in order to finalise eligibility determinations for the initial cohort of registrants, most of which were completed by September 2017. From October 2017, Maurice Blackburn continued to undertake eligibility determinations in accordance with the Scheme, however there was a lower volume of determinations in that period. At the same time, during that latter period many of the eligibility determinations were more complex, particularly to the extent that they involved consideration of Deemed ASR Revision claims.*

*As 94.5% of all eligibility determinations have now been completed, most of the ongoing work will relate to the recently registered claims, and therefore the time spent on this aspect of the administration is expected to stabilise at a relatively low level for the remainder of the administration.*

## 2019 Update

During the 2019 Relevant Period, there was a substantial reduction in Maurice Blackburn's work and costs associated with eligibility determinations. Average monthly costs were \$3,077 for the 2019 Relevant Period compared to \$18,237 for the 2018 Relevant Period.

The nature of work in the 2019 Relevant Period was the same or similar to that in the 2018 Relevant Period. However the reduction in the amount of work and costs is due to (1) the fact that a majority of eligibility determinations for the initial cohort of group members was completed by the end of 2017 and (2) new registrations are occurring at a relatively low rate and therefore more recent work in carrying out eligibility determinations is commensurably reduced. The reduction in costs associated with eligibility determinations can already be seen in monthly costs towards the end of the 2018 Relevant Period (from December 2017) and this trend continued throughout the 2019 Relevant Period.

Maurice Blackburn completed a total of 47 eligibility determinations for Maurice Blackburn and DBH Group Members. Of these, 11 were determinations of Deemed ASR Revision claims.

98.7% of all eligibility determinations have now been completed.

The Administrators expect that work associated with eligibility determinations will continue to taper off for the remainder of the administration.



### 03.00 Dealing with Assessors

#### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$0.00	0.00%	0.00%	0.00%
Mar-17	\$998.80	0.34%	100.00%	0.00%
Apr-17	\$0.00	0.00%	0.00%	0.00%
May-17	\$4,015.00	1.30%	100.00%	0.00%
Jun-17	\$2,479.40	0.88%	52.94%	47.06%
Jul-17	\$178.20	0.08%	100.00%	0.00%
Aug-17	\$2,367.20	1.03%	100.00%	0.00%
Sep-17	\$676.50	0.29%	100.00%	0.00%
Oct-17	\$1,535.60	0.67%	96.15%	3.85%
Nov-17	\$534.60	0.26%	100.00%	0.00%
Dec-17	\$15,613.40	10.94%	96.89%	3.11%
Jan-18	\$8,081.70	5.35%	100.00%	0.00%
Feb-18	\$9,663.50	4.97%	98.03%	1.97%
Mar-18	\$3,367.10	1.94%	100.00%	0.00%
<b>Total</b>	<b>\$49,511.00</b>	<b>-</b>	<b>95.63%</b>	<b>4.37%</b>
<b>% of Total Costs</b>	<b>1.65%</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$10,558.90	53.52%	100.00%	0.00%
May-18	\$1,789.70	9.07%	100.00%	0.00%
Jun-18	\$2,061.40	10.45%	100.00%	0.00%
Jul-18	\$2,668.60	13.53%	100.00%	0.00%
Aug-18	\$1,416.80	7.18%	100.00%	0.00%
Sep-18	\$0.00	0.00%	-	-
Oct-18	\$415.80	2.11%	100.00%	0.00%
Nov-18	\$134.20	0.68%	100.00%	0.00%
Dec-18	\$134.20	0.68%	100.00%	0.00%
Jan-19	\$59.40	0.30%	100.00%	0.00%
Feb-19	\$371.80	1.88%	100.00%	0.00%
Mar-19	\$118.80	0.60%	100.00%	0.00%
<b>Total</b>	<b>\$19,729.60</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>
<b>% of Total Costs</b>	<b>1.37%</b>			

## 2018 Relevant Period

*In accordance with sub-clause 7.3(a) of the Scheme, the Administrators worked collaboratively to appoint a panel of independent Assessors to undertake the assessment of claims in accordance with clause 7 of the Scheme. This work involved identifying and vetting potential Assessors based on their personal injury experience, in particular their background in assessment of damages. The Administrators then had discussions with those individuals selected to explain the assessment requirements under the Scheme, the anticipated time commitment to complete the assessments, fees and general expectations of the Administrators.*

*In June 2017 the Administrators appointed the following lawyers as independent Assessors:*

<i>Marietta Bylhouwer</i>	<i>- member of the Victorian Bar with 23 years' experience</i>
<i>Simon Martin</i>	<i>- member of the Victorian Bar with 12 years' experience</i>
<i>Matthew Baker</i>	<i>- partner at Holman Webb solicitors with 22 years' experience</i>
<i>Debbie Bridges</i>	<i>- special counsel Shine lawyers with 17 years' experience</i>

*Following the appointment of these Assessors, the Administrators undertook comprehensive training both as a group and individually. This training involved the preparation of a brief of material, conferences to discuss the Scheme as well as training on the use of the Online Database, which is described in more detail under task code 17 below. This training was conducted jointly by the Administrators and its purpose was to ensure that the Assessors adopted a consistent approach in their assessments.*

*On 11 April 2018, Debbie Bridges resigned from Shine and it was decided by the Administrators that she should therefore be removed from the Assessor panel. In order to increase the rate at which the assessments were being completed, two additional Assessors were appointed in May 2018.*

<i>Nikki Wolski</i>	<i>- member of the Victorian Bar with 24 years' experience</i>
<i>Mark Victorsen</i>	<i>- partner at Holman Webb solicitors with 20 years' experience</i>

*Maurice Blackburn was responsible for the training of Nikki Wolski and Shine was responsible for the training of Mark Victorsen.*

*In addition to the preliminary training, there continues to be communication between the Assessors and the Administrators in relation to the assessment process and individual Group Member assessments. If an issue arises on a particular assessment that has broader application to the group or requires clarification, this is communicated to the Assessors or the Assessors are consulted for their views and a position reached. This collaboration and guidance is necessary for the consistency and accuracy of all assessments.*

*Given the complexities of the Individual Assessment process, work associated with managing the independent Assessors is largely done by legal staff rather than non-legal staff.*

*The spike in costs in the month of December 2017 was due to increased time being spent by the Administrators undertaking a "blind test" audit of the Assessors' work. On the recommendation of the actuarial experts, Mr Atkins and Mr Payne, the Administrators decided that an effective way to promote consistency and quality of assessments across all Assessors was to have each Assessor complete the same five initial assessments. This gave a clear point of comparison which enabled the Administrators to identify areas where the Assessors were taking different approaches and where guidance was required. As part of this audit the Administrators had to review all 25 assessments completed, being five by each Assessor and prepare feedback. This feedback was given by the Administrators both as a group and individually.*

*The reduction in costs associated with Maurice Blackburn's dealing with Assessors in the month of March 2018, reflects the fact the number of Claim Books being allocated had reduced following the initial surge when the assessment process began and the Assessors have become more familiar with the assessment process and the expectations of the Administrators. It is expected that costs associated with Assessors will continue at this reduced rate for the remainder of 2018 and then taper off for the remainder of the administration. Once the Individual Assessments for the initial cohort of registrants is completed towards the end of 2018, the number of ongoing Individual Assessments is expected to be very low, consistently with the small number of new registrations each month and the consistently high level of uptake of the Fast Track Resolution.*

## **2019 Update**

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with dealing with Assessors reduced significant compared to the 2018 Relevant Period.

89.4% of Maurice Blackburn and DBH Group Members who have elected individual assessment have now had their assessments completed.

The work associated with the appointment and training of the panel of assessors was largely completed during the 2018 Relevant Period, and therefore (as anticipated in the 2018 MB Administration Report) the costs associated with dealing with assessors tapered off during 2018 and remained low. Excluding the month of April 2018, average monthly costs for this area of work were approximately \$760 per month from May 2018 to March 2019.

The reduction in time spent associated with the Administrators dealing with assessors reflects the progress made in relation to the number of individual assessments as well as general efficiencies resulting from increased familiarity with the assessment process and therefore less communication being required between the Assessors and the Administrators throughout the assessment process.

At the end of 2018, the Administrators agreed that given the reduced number of individual assessments remaining to be completed, the number of independent assessors on the panel should be reduced from five to three.

It is anticipated that costs associated with assessors will continue to be low for the remainder of the administration.

#### 04.00 Preparing / sending notices to Group Members and processing elections

##### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$3,330.80	2.19%	58.06%	41.94%
Mar-17	\$15,353.80	5.30%	38.95%	61.05%
Apr-17	\$9,260.90	5.05%	13.28%	86.72%
May-17	\$20,006.80	6.48%	40.70%	59.30%
Jun-17	\$11,327.80	4.04%	47.71%	52.29%
Jul-17	\$16,830.00	7.24%	44.72%	55.28%
Aug-17	\$28,957.50	12.58%	17.21%	82.79%
Sep-17	\$29,826.50	13.01%	14.94%	85.06%
Oct-17	\$21,362.00	9.26%	18.75%	81.25%
Nov-17	\$14,889.60	7.35%	12.89%	87.11%
Dec-17	\$5,996.10	4.20%	13.46%	86.54%
Jan-18	\$7,401.90	4.90%	21.98%	78.02%
Feb-18	\$10,530.30	5.41%	22.22%	77.78%
Mar-18	\$6,308.50	3.63%	38.00%	62.00%
<b>Total</b>	<b>\$201,382.50</b>	<b>-</b>	<b>25.44%</b>	<b>74.56%</b>
<b>% of Total Costs</b>	<b>6.71%</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$6,800.20	21.75%	28.83%	71.17%
May-18	\$4,208.60	13.46%	20.75%	79.25%
Jun-18	\$2,788.50	8.92%	18.06%	81.94%
Jul-18	\$6,713.30	21.47%	25.00%	75.00%
Aug-18	\$2,921.60	9.35%	17.33%	82.67%
Sep-18	\$352.00	1.13%	0.00%	100.00%
Oct-18	\$176.00	0.56%	0.00%	100.00%
Nov-18	\$0.00	0.00%	-	-
Dec-18	\$653.40	2.09%	100.00%	0.00%
Jan-19	\$1,306.80	4.18%	100.00%	0.00%
Feb-19	\$1,408.00	4.50%	54.55%	45.45%
Mar-19	\$3,934.70	12.59%	62.50%	37.50%
<b>Total</b>	<b>\$31,263.10</b>	<b>100.00%</b>	<b>31.95%</b>	<b>68.05%</b>
<b>% of Total Costs</b>	<b>2.17%</b>			

## 2018 Relevant Period

Clause 5.8 of the Scheme requires that after a determination is made as to whether or not a Group Member is eligible to receive compensation, the Administrators will promptly send to the Group Member a 'Notice of Eligibility'. This 'Notice of Eligibility' and accompanying cover letter or email is prepared by a paralegal. In the course of preparing this correspondence the paralegal also reviews a spreadsheet to determine whether the Group Member's explanted (i.e. surgically removed) ASR implant was retained by Maurice Blackburn or the Respondents. A number of these 'explants' were retained between 2011 and the settlement of the proceeding in 2016 in the event that they were needed for evidentiary purposes and the Administrators considered that it was appropriate to continue to retain these explants until after the determination of a Group Member's eligibility. Further discussion of the process for managing explants is discussed below under task code 22.

If the Group Member is determined eligible, an 'Instructions to Elect' form is also prepared to be sent to the Group Member at this time. The 'Instructions to Elect' form requires the Group Member to complete and return the form advising of their election, which must be done within 42 days of receiving the Notice. The purpose of this form is to ensure that we have clear instructions from the Group Member regarding their election (i.e. Fast Track Resolution or Individual Assessment).

Once the valid 'Instructions to Elect' form is received, depending on the Group Member's election a paralegal then sends a 'Notice of Fast Track Resolution' or 'Notice of Individual Assessment' to formally acknowledge the Group Member's election and to provide information regarding the next steps of the process.

The Online Database is updated throughout this process to track the status of the Group Member's claim. This allows data reports to be run to determine what stage of the process a Group Member is at and to ensure all the relevant steps as required by the Scheme have been undertaken.

To date, Maurice Blackburn has sent out the following numbers of notices to Maurice Blackburn and DBH Group Members:

- a) 817 Notices of Eligibility – Eligible
- b) 38 Notices of Eligibility – Ineligible
- c) 681 Notices of Fast Track Resolution
- d) 133 Notices of Assessment.

From February 2017 to September 2017 there was a steady increase in the amount of time spent on preparing and sending notices to Group Members. This increase coincided with the effort made by Maurice Blackburn to complete the eligibility determination for the initial cohort of registered Group Members. From October 2017 to March 2018 the time spent on preparing and sending notices has tapered off in line with the reduction in the number of eligibility determinations made. There was a slight increase in time spent in February 2018 due to notices being prepared for ineligible determinations, especially for Group Members who made a claim on the basis of a Deemed ASR Revision. The reason for this is that due to the individual reasons a Group Member is found ineligible, the standard notice was not suitable for Deemed ASR Revision claims and a tailored Notice addressing the Group Member's particular circumstances was therefore necessary.

As with Eligibility Determinations discussed under task code 02 above, it is expected that the time spent by Maurice Blackburn in preparing and sending notices to Group Members will also stabilise at a relatively low level for the remainder of the administration.

**2019 Update**

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with preparing and sending notices to Group Members reduced substantially compared to the 2018 Relevant Period. This is due to the smaller number of group members whose claims are ongoing and to whom notices therefore need to be sent.

The nature of work has remained the same or similar to that set out above.

As anticipated in the 2018 MB Administration Report, time spent by Maurice Blackburn in preparing and sending notices to Group Members has stabilised at a relatively low level and is expected to continue at a low level for the remainder of the administration.

## 05.00 Committee Functions

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$4,007.30	2.63%	100.00%	0.00%
Mar-17	\$14,454.00	4.99%	100.00%	0.00%
Apr-17	\$5,454.90	2.97%	54.63%	45.37%
May-17	\$15,143.70	4.91%	68.75%	31.25%
Jun-17	\$6,387.70	2.28%	63.93%	36.07%
Jul-17	\$7,904.60	3.40%	95.97%	4.03%
Aug-17	\$9,529.30	4.14%	83.44%	16.56%
Sep-17	\$9,858.20	4.30%	53.16%	46.84%
Oct-17	\$6,528.50	2.83%	64.96%	35.04%
Nov-17	\$5,770.60	2.85%	47.71%	52.29%
Dec-17	\$4,439.60	3.11%	65.00%	35.00%
Jan-18	\$7,107.10	4.71%	74.62%	25.38%
Feb-18	\$6,943.20	3.57%	91.35%	8.65%
Mar-18	\$6,202.90	3.57%	100.00%	0.00%
<b>Total</b>	<b>\$109,731.60</b>	<b>-</b>	<b>74.58%</b>	<b>25.42%</b>
<b>% of Total Costs</b>	<b>3.66%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$3,741.10	9.26%	100.00%	0.00%
May-18	\$2,488.20	6.16%	73.33%	26.67%
Jun-18	\$4,579.30	11.33%	100.00%	0.00%
Jul-18	\$8,287.40	20.51%	91.41%	8.59%
Aug-18	\$3,247.20	8.04%	100.00%	0.00%
Sep-18	\$1,677.50	4.15%	100.00%	0.00%
Oct-18	\$1,721.50	4.26%	92.00%	8.00%
Nov-18	\$2,819.30	6.98%	100.00%	0.00%
Dec-18	\$221.10	0.55%	100.00%	0.00%
Jan-19	\$0.00	0.00%	-	-
Feb-19	\$8,067.40	19.97%	65.00%	35.00%
Mar-19	\$3,554.10	8.80%	89.09%	10.91%
<b>Total</b>	<b>\$40,404.10</b>	<b>100.00%</b>	<b>86.72%</b>	<b>13.28%</b>
<b>% of Total Costs</b>	<b>2.80%</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2018 Relevant Period

*The Administrators continue to perform committee functions in accordance with clause 3.1 of the Settlement Protocol. The Committee provides a mechanism for Shine and Maurice Blackburn to jointly make decisions and exercise functions under the Scheme and to have joint oversight of the administration.*

*As other aspects of the administration have become more streamlined and procedures have been implemented, the amount of time spent by the Committee on those more general administration matters has likewise continued to reduce. From October 2017 onwards, the Committee's time has been spent predominantly on considering the need for further material in relation to Deemed ASR Revision claims, considering late registrations, considering interim payment applications and approval of residual liens.*

*Maurice Blackburn has been responsible for the collation and circulation of the monthly committee meeting agenda, ensuring that all documents related to agenda items are uploaded to Collaborate, the secure document sharing platform prior to the meetings as well as preparation and circulation of minutes following each meeting.*

*Time spent on committee related matters in the month of March 2017, were higher than average because the Administrators agreed to hold two committee meetings in that month. The Committee spent significant time in this month on the development of procedures and practical applications related to Deemed ASR Revisions, ineligible revisions and liens in addition to the ordinary matters the Committee is required to consider.*

*In May 2017 there were again two committee meetings held. A significant amount of the Committee's time was spent dealing with procedures related to the Individual Assessment process and the preparation of Claim Books in addition to the ordinary business of the Committee such as Deemed ASR Revision claims, residual liens and legal incapacity. It is anticipated that for the remainder of the administration, the Committee will spend less time on procedural matters and the meetings will continue to become more straightforward.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with committee functions reduced significantly compared to the 2018 Relevant Period. Average monthly costs for the 2019 Relevant Period were \$3,367 compared to \$7,837 in the 2018 Relevant Period.

As anticipated in the 2018 MB Administration Report, the work associated with the committee functions has become more straightforward and more efficient.

There was an increase in time spend by the committee in July 2018 due to a number of complex liens to be resolved. There was also an increase in time spent for the February 2019 because no committee meeting was held in January 2019 and therefore a larger than usual number of issues needed to be determined in February 2019.

It is anticipated that the work of the committee will continue at a relatively low level and the need to gather as a committee will eventually cease to be necessary at all once Shine, DBH and LAM cease to play a role. Decisions that were made at the committee level will continue to be made by the Administrators in accordance with the Scheme on an ad hoc basis.



## 06.00 Interim Payments

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$1,028.50	0.68%	21.74%	78.26%
Mar-17	\$1,994.30	0.69%	69.23%	30.77%
Apr-17	\$812.90	0.44%	70.59%	29.41%
May-17	\$8,723.00	2.83%	23.35%	76.65%
Jun-17	\$4,579.30	1.63%	11.29%	88.71%
Jul-17	\$1,457.50	0.63%	40.63%	59.38%
Aug-17	\$3,496.90	1.52%	24.71%	75.29%
Sep-17	\$9,663.50	4.21%	18.52%	81.48%
Oct-17	\$8,096.00	3.51%	14.83%	85.17%
Nov-17	\$4,609.00	2.28%	21.05%	78.95%
Dec-17	\$1,909.60	1.34%	43.90%	56.10%
Jan-18	\$4,865.30	3.22%	12.60%	87.40%
Feb-18	\$6,045.60	3.11%	20.55%	79.45%
Mar-18	\$6,540.60	3.77%	46.38%	53.62%
<b>Total</b>	<b>\$63,822.00</b>	<b>-</b>	<b>23.83%</b>	<b>76.17%</b>
<b>% of Total Costs</b>	<b>2.13%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$4,479.20	49.69%	20.91%	79.09%
May-18	\$689.70	7.65%	11.11%	88.89%
Jun-18	\$1,366.20	15.16%	20.59%	79.41%
Jul-18	\$200.20	2.22%	20.00%	80.00%
Aug-18	\$232.10	2.57%	40.00%	60.00%
Sep-18	\$0.00	0.00%	-	-
Oct-18	\$211.20	2.34%	0.00%	100.00%
Nov-18	\$1,800.70	19.98%	20.93%	79.07%
Dec-18	\$35.20	0.39%	0.00%	100.00%
Jan-19	\$0.00	0.00%	-	-
Feb-19	\$0.00	0.00%	-	-
Mar-19	\$0.00	0.00%	-	-
<b>Total</b>	<b>\$9,014.50</b>	<b>100.00%</b>	<b>19.82%</b>	<b>80.18%</b>
<b>% of Total Costs</b>	<b>0.62%</b>			

## 2018 Relevant Period

*The Administrators have continued to process interim payments in accordance with clause 10.8 of the Scheme. The time spent on interim payments recorded under this task code relate to the work associated with managing and preparing the interim payment application for consideration by the Committee. Time spent by the Committee considering and determining an interim payment application is recorded under task code 05 above.*

*The work undertaken by the Administrators in managing and preparing interim payment applications involves correspondence with the Group Member seeking an interim payment, providing necessary documents to Group Members and assistance with how the application documents are to be completed, in particular the nature of the supporting material to be provided with the application, consideration of the application and supporting material, further correspondence with the Group Members relating to inadequacies in the supporting documents provided or further clarification needed and preparation of the file note to be considered by the Committee. Depending on the instructions and documents provided by the Group Members, it can take staff a significant amount of time to collate the material and ensure that the supporting material substantiates the Group Member's claim of financial hardship.*

*Over the Relevant Period Maurice Blackburn has received and processed 35 interim payment applications. Of these, 26 were approved by the Committee on first review, 3 required further material following first review by the Committee and were subsequently approved, and 6 were rejected.*

*In the months of May 2017, September 2017 and October 2017, the time spent by Maurice Blackburn on interim payment applications was more than other months due to a higher number of applications received and prepared in those months as well as some more complicated applications by Group Members which involved consideration of medical expenses claimed to be needed and the reason for the financial hardship experiences.*

*As 92.4% of all Group Members who have elected Fast Track Resolution have now been paid and the Administrators expect to commence the first tranche payment to Group Members who have elected Individual Assessment in the second half of 2018, it is expected that the number of applications for interim payments will reduce and in turn the costs associated with this aspect of the administration will also reduce. In other words as more and more Group Members receive their actual compensation payments, the likelihood of Group Members needing to make requests for interim payments will diminish.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with processing interim payments reduced 84% on an average monthly basis compared to the 2018 Relevant Period (from \$4,558 per month to \$751 per month). The nature of work has remained the same or similar to that set out in the 2018 MB Administration Report.

As anticipated in the 2018 MB Administration Report, as the number of Group Members who have received their actual compensation payments has increased, the number of Group Members needing to make requests for interim payments has diminished.

It is anticipated that the work associated with interim payments will remain at a very low level for the remainder of the administration.

## 07.00 Deemed ASR Revision

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$3,040.40	2.00%	81.63%	18.37%
Mar-17	\$2,288.00	0.79%	78.57%	21.43%
Apr-17	\$1,292.50	0.70%	50.00%	50.00%
May-17	\$4,900.50	1.59%	22.40%	77.60%
Jun-17	\$1,518.00	0.54%	7.14%	92.86%
Jul-17	\$8,863.80	3.81%	54.92%	45.08%
Aug-17	\$6,922.30	3.01%	75.36%	24.64%
Sep-17	\$7,587.80	3.31%	40.24%	59.76%
Oct-17	\$2,325.40	1.01%	35.85%	64.15%
Nov-17	\$817.30	0.40%	73.33%	26.67%
Dec-17	\$4,066.70	2.85%	98.51%	1.49%
Jan-18	\$6,264.50	4.15%	74.11%	25.89%
Feb-18	\$2,008.60	1.03%	24.49%	75.51%
Mar-18	\$2,149.40	1.24%	65.00%	35.00%
<b>Total</b>	<b>\$54,045.20</b>	<b>-</b>	<b>54.71%</b>	<b>45.29%</b>
<b>% of Total Costs</b>	<b>1.80%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$854.70	13.26%	100.00%	0.00%
May-18	\$1,598.30	24.80%	23.08%	76.92%
Jun-18	\$1,458.60	22.63%	12.50%	87.50%
Jul-18	\$1,464.10	22.72%	46.67%	53.33%
Aug-18	\$798.60	12.39%	85.71%	14.29%
Sep-18	\$70.40	1.09%	0.00%	100.00%
Oct-18	\$0.00	0.00%	-	-
Nov-18	\$0.00	0.00%	-	-
Dec-18	\$0.00	0.00%	-	-
Jan-19	\$0.00	0.00%	-	-
Feb-19	\$0.00	0.00%	-	-
Mar-19	\$200.20	3.11%	20.00%	80.00%
<b>Total</b>	<b>\$6,444.90</b>	<b>100.00%</b>	<b>38.62%</b>	<b>61.38%</b>
<b>% of Total Costs</b>	<b>0.45%</b>			

## 2018 Relevant Period

*Deemed ASR Revision Group Members form a small percentage of the overall cohort of registrants (2%), however their claims are complex and involve detailed consideration of medical evidence and whether the evidence satisfies the two limbs of the definition of a Deemed ASR Revision.*

*Of the registered Maurice Blackburn and DBH Deemed ASR Revision claims:*

- a) 10 have been found eligible*
- b) 9 have been found ineligible*
- c) 7 are awaiting audit*
- d) 4 are awaiting further material for a determination to be made.*

*If a Group Member makes a claim on the basis of a Deemed ASR Revision, the Administrators are required to screen the claim to determine whether the Administrators or the Group Member should obtain the relevant contemporaneous medical records or whether a bond should be paid by the Group Member. This screening process is carried out pursuant to clause 5.7 of the Scheme, which safeguards against the unmeritorious claims being made and the Administrators needing to spend significant time dealing with such claims. The process of screening the Deemed ASR Revision claims is detailed at [108]-[111] of the 8 June 2017 Affidavit.*

*Once a Group Member has progressed through the screening process, the claim then proceeds in the same way as all other claims, and the next step is the preparation of an Eligibility Book. The costs of the work undertaken in preparing an Eligibility Book (and other claim preparation) are payable under the fixed claim preparation costs in clause 13.2 of the Scheme, rather than clause 13.1 of the Scheme.*

*When an Eligibility Book for a Deemed ASR Revision claim is allocated to a senior lawyer for determination, it is common that the senior lawyer will request further information. As a result, Maurice Blackburn has had to request a short report or letter from a surgeon and / or general practitioner for the majority of Deemed ASR Revision claims, which was not earlier anticipated.*

*Any additional tasks associated with the requirement for further material such as the initial review by the senior lawyer, communications between the administration staff and senior lawyer regarding the complexities of the claim, correspondence with the Group Member, drafting letters to the Group Member to obtain further information, and preparing additional information for the Committee to determine when seeking approval to request further material such as surgeon reports are recorded under task code 07. Work associated with obtaining that further material to be added to the Eligibility Book is included in the fixed claim preparation costs under clause 13.2 of the Scheme.*

*In addition to the Deemed ASR Revision Group Members that have had a formal determination made, there have been a number of Group Members who have registered a Deemed ASR Revision claim but subsequently withdrawn their claim. The reason this has occurred, is that on occasions the senior lawyer has reviewed all material on file and based on this review, the Group Member would be found ineligible. Therefore, before an ineligible determination is made, the Group Member has been given the opportunity to withdraw their claim in order to preserve their rights to re-register in the future should their situation change, or they undergo an actual revision operation before the 13 year deadline of the date of their ASR implant, thereby enabling the Group Member to make a claim on the basis of an Actual ASR Revision.*

*Overall, the costs have remained fairly steady over the Relevant Period, with slight variations related to the number of new Deemed ASR Revision registrants for the period as well as*

*additional work done following the initial review of a Deemed ASR Revision claim by a senior lawyer.*

### **2019 Update**

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with Deemed ASR Revision claims reduced 86% on an average monthly basis compared to the 2018 Relevant Period (\$537 per month compared to \$3,860 per month). The nature of work has remained the same or similar to that set out in the 2018 MB Administration Report.

Deemed Revision Claims continue to form a small percentage of the overall cohort of registrants (3.5%).

Over the 2019 Relevant Period, there have been a total of 11 Maurice Blackburn and DBH Deemed Revision Claims and in the months September 2018 to March 2019 there virtually no work required in relation to Deemed Revision Claims.

It is expected that the work associated with Deemed Revision Claims will remain at a low level with slight fluctuations depending on the number and complexity of new Deemed Revision Claims received for the remainder of the administration. For example, in five of the 12 months in the 2019 Relevant Period, no work at all needed to be done in relation to Deemed ASR Revision claims, while in other months a modest amount of work was necessary.

## 08.00 Processing Individual Assessments

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$607.20	0.40%	80.00%	20.00%
Mar-17	\$67.10	0.02%	100.00%	0.00%
Apr-17	\$1,219.90	0.66%	73.91%	26.09%
May-17	\$1,056.00	0.34%	100.00%	0.00%
Jun-17	\$0.00	0.00%	0.00%	0.00%
Jul-17	\$2,305.60	0.99%	93.02%	6.98%
Aug-17	\$2,728.00	1.18%	67.80%	32.20%
Sep-17	\$0.00	0.00%	0.00%	0.00%
Oct-17	\$5,725.50	2.48%	80.58%	19.42%
Nov-17	\$5,287.70	2.61%	77.66%	22.34%
Dec-17	\$18,041.10	12.64%	87.10%	12.90%
Jan-18	\$11,708.40	7.76%	98.43%	1.57%
Feb-18	\$31,431.40	16.16%	88.91%	11.09%
Mar-18	\$34,404.70	19.81%	99.47%	0.53%
<b>Total</b>	<b>\$114,582.60</b>	<b>-</b>	<b>90.90%</b>	<b>9.10%</b>
<b>% of Total Costs</b>	<b>3.82%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$40,890.30	18.73%	91.79%	8.21%
May-18	\$50,128.10	22.96%	91.23%	8.77%
Jun-18	\$9,297.20	4.26%	74.53%	25.47%
Jul-18	\$17,459.20	8.00%	90.94%	9.06%
Aug-18	\$22,012.10	10.08%	89.80%	10.20%
Sep-18	\$11,225.50	5.14%	91.24%	8.76%
Oct-18	\$10,670.00	4.89%	100.00%	-
Nov-18	\$6,619.80	3.03%	100.00%	-
Dec-18	\$1,811.70	0.83%	100.00%	-
Jan-19	\$8,548.10	3.91%	100.00%	-
Feb-19	\$17,306.30	7.93%	89.86%	10.14%
Mar-19	\$22,389.40	10.25%	98.00%	2.00%
<b>Total</b>	<b>\$218,357.70</b>	<b>100.00%</b>	<b>91.78%</b>	<b>8.22%</b>
<b>% of Total Costs</b>	<b>15.14%</b>			



## 2018 Relevant Period

*As anticipated at the time of the June 2017 hearing, the Administrators have undertaken a significant amount of work in relation to the processing of Individual Assessment claims in accordance with clause 7 of the Scheme. In particular, this is reflected in the costs incurred from December 2017 to March 2018. This work has been done collaboratively between Maurice Blackburn and Shine to ensure consistency of outcomes for all Group Members.*

*In broad terms, this area of the administration encompasses the processing of Individual Assessment claims from the allocation of the Claim Books to the independent Assessors through to the final review and completion of the assessments.*

*After a Claim Book has been prepared by a paralegal (the costs of which are incurred under clause 13.2 of the Scheme), the Claim Book is reviewed by a senior lawyer to ensure it complies with the agreed format and contains all required material. This process can involve the paralegal needing to go back to the Group Member for further instructions or request further documents and then be re-reviewed by the senior lawyer. Once the Claim Book is completed, it is allocated to an Assessor using the Online Database. Maurice Blackburn tracks all stages of the Individual Assessment process through the Individual Assessment progress page in the Online Database.*

*The Claim Book is then randomly allocated to one of the panel of independent Assessors as is required under clause 7.3(c) of the Scheme.*

*The Assessor is notified by automatic email that the Claim Book has been allocated to them and the Claim Book is made available to the Assessor via Collaborate, the secure online document sharing facility.*

*Once the Assessor receives and reviews a Claim Book, he or she may decide that additional materials are needed in order to complete the assessments; this involves communications with the Administrators and the Group Member. Examples of the types of further materials that have been requested are; medical records and reports, business taxation records, receipts to substantiate claimed out of pocket expenses and clarification of instructions from Group Members.*

*The Administrators are responsible for obtaining any further documents or instructions requested by the Assessors. This work can involve internal meetings or communications for the purpose of delegating or allocating work to staff. The Administrators also communicate with Group Members in order to inform them that the Assessor has requested further materials.*

*Once the Assessor has all the material needed to undertake the assessment, they have 14 days to complete the assessment which is done directly into the Online Database.*

*In order to complete their assessment, the Assessor enters the assessment values and their reasoning directly into the Online Database. Once the Assessor has finalised their assessment via the Online Database, the firm that was responsible for the preparation of the Claim Book can view the assessment documents via the Online Database. The assessment documents include the Notice of Assessment which is the letter providing important information to the Group Member about their assessment and enclosing the Statement of Reasons and Determination.*

*After the assessment is completed by the Assessor the Administrators undertake a detailed review of the assessment. This review is essential to ensuring the assessment criteria have been applied consistently and accurately across the whole group. This review is done by senior lawyers with personal injury experience and depending on how complex the assessment is can take approximately 1 – 2 hours. The Administrators worked together to develop the assessment*

*review checklist to ensure that all assessments are reviewed efficiently and accurately and there is consistency across the entire group. Following the internal assessment review, any issues, errors or points of clarification needed with the assessments that have been identified by the senior lawyer are documented and sent back to the Assessor for their consideration. This often involves further communication with the Assessor and the Group Member.*

*Once this assessment review process has been completed and any necessary amendments made, the assessment is marked as "complete" and the assessment documents are generated and sent to the Group Member via registered post and email.*

*Other work involved in processing Individual Assessments includes monitoring the progress of the Individual Assessment process including reviewing data reports and communicating with Assessors to ensure they are completing assessments within the timeframes that were agreed, or if they have outstanding assessments in order to ensure that assessments are completed in a timely manner. This requires collaboration between the Administrators to ensure all assessments are progressing.*

*Other than the modest amounts of costs incurred between February 2017 and November 2017, the main costs of processing Individual Assessments commenced in December 2017 when the allocation of Claim Books to the Assessors began. There was also some time spent in processing the Individual Assessments related to the Assessor audit discussed under task code 03 above.*

*At this stage it is expected that the work undertaken by Maurice Blackburn in processing Individual Assessments will continue at the rate seen in the months of February 2018 and March 2018 until approximately August 2018, after which time all assessments will have been completed for Maurice Blackburn's Group Members who are currently registered and awaiting assessment. From August 2018, it is expected that costs will stabilise at a lower rate until the conclusion of the administration.*

## **2019 Update**

This is one of three areas of work where there was an appreciable increase in Maurice Blackburn's work and costs in the 2019 Relevant Period compared to the 2018 Relevant Period. For the 2019 Relevant Period, Maurice Blackburn's average monthly costs more than doubled compared to the 2018 Relevant Period.

Throughout the 2019 Relevant Period, the individual assessment process and the nature of work in relation to this aspect of the administration has remained the same or similar to that undertaken in the 2018 Relevant Period. However the increase in work and costs during the 2019 Relevant Period compared to the 2018 Relevant Period is due to the increased number of individual assessments being processed as well as increased time associated with some of the more complex claims.

Over the 2019 Relevant Period, a total of 103 individual assessments we finalised:

- a) 95 MB
- b) 8 DBH

In April and May 2018, there was some ongoing work by the Administrators in finalising the individual assessment process as well as a concerted effort by Maurice Blackburn to ensure that the individual assessment claims awaiting assessment were progressed.



From August 2018 Maurice Blackburn has been processing the individual assessments of recently registered claims as well as some of the more complex claims that may have been registered earlier in 2018.

These more complex claims include:

- Group Members whose conditions were not yet stable and therefore there is an increase in communication with the Group Members to assess their condition and whether updated medical evidence is required;
- Group Members who have significant ongoing future medical care to be assessed by an independent expert;
- Group Members who have made a statutory compensation scheme claim in relation to some aspect of their hip condition and therefore their claim requires consideration of the impact of receipt of compensation under the Settlement Scheme on any ongoing statutory entitlements or repayment of entitlements received in the past.

In February and March 2019 there was a concerted effort by Maurice Blackburn to progress as many outstanding individual assessments as possible in order to provide the actuarial expects with as much data as possible for their updated analysis and advice on a potential final tranche payment.

It is anticipated that the work associated with processing individual assessments will continue to fluctuate from month to month depending on the number of claims to be processed and the complexity of these claims. Despite these fluctuations, the overall costs are expected to taper off for the remainder of the administration.

## 09.00 Reviews

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$0.00	0.00%	0.00%	0.00%
Mar-17	\$0.00	0.00%	0.00%	0.00%
Apr-17	\$0.00	0.00%	0.00%	0.00%
May-17	\$0.00	0.00%	0.00%	0.00%
Jun-17	\$574.20	0.20%	46.15%	53.85%
Jul-17	\$3,131.70	1.35%	37.14%	62.86%
Aug-17	\$969.10	0.42%	88.24%	11.76%
Sep-17	\$0.00	0.00%	0.00%	0.00%
Oct-17	\$67.10	0.03%	100.00%	0.00%
Nov-17	\$176.00	0.09%	0.00%	100.00%
Dec-17	\$0.00	0.00%	0.00%	0.00%
Jan-18	\$297.00	0.20%	100.00%	0.00%
Feb-18	\$671.00	0.34%	100.00%	0.00%
Mar-18	\$1,202.30	0.69%	56.00%	44.00%
<b>Total</b>	<b>\$7,088.40</b>	<b>-</b>	<b>52.74%</b>	<b>47.26%</b>
<b>% of Total Costs</b>	<b>0.24%</b>	<b>-</b>		

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$224.40	0.53%	40.00%	60.00%
May-18	\$4,639.80	10.91%	58.89%	41.11%
Jun-18	\$5,024.80	11.81%	73.96%	26.04%
Jul-18	\$7,236.90	17.01%	50.65%	49.35%
Aug-18	\$13,997.50	32.90%	67.31%	32.69%
Sep-18	\$4,060.10	9.54%	57.14%	42.86%
Oct-18	\$3,984.20	9.37%	63.64%	36.36%
Nov-18	\$268.40	0.63%	100.00%	0.00%
Dec-18	\$1,006.50	2.37%	100.00%	0.00%
Jan-19	\$118.80	0.28%	100.00%	0.00%
Feb-19	\$304.70	0.72%	100.00%	0.00%
Mar-19	\$1,674.20	3.94%	36.11%	63.89%
<b>Total</b>	<b>\$42,540.30</b>	<b>100.00%</b>	<b>62.20%</b>	<b>37.80%</b>
<b>% of Total Costs</b>	<b>2.95%</b>			

## 2018 Relevant Period

*The work undertaken by the Administrators in relation to Reviews has included the establishment of processes and precedent documents to ensure Reviews are conducted in accordance with clause 9 of the Scheme. As part of this process it was necessary to consider how any change in assessment values in the case of Individual Assessments would be tracked in the Online Database and how Review costs provided for in clause 13.4 of the Scheme would be reimbursed to the Group Member in the case of a successful Review or recovered in the case of an unsuccessful Review.*

*Clause 9 of the Scheme enables a Group Member to seek an “Eligibility Review” or a “Compensation Review”.*

*The Administrators appointed Michael Wilson QC, a member of the Victorian Bar with 38 years’ experience as the Review Assessor for Compensation Reviews. The Administrators considered that it was appropriate for Senior Counsel to be engaged as Review Assessor for Compensation Reviews.*

*In order to avoid incurring the costs of engaging Senior Counsel for Eligibility Reviews, which are likely to be more straightforward than Compensation Reviews, the Administrators appointed Simon Martin and Marietta Bylhouwer, members of the Victorian Bar as Review Assessors for Eligibility Reviews. Both Mr Martin and Ms Bylhouwer were also appointed as Assessors under sub-clause 7.3(a) of the Scheme for the purpose of Individual Assessments.*

*To date, Maurice Blackburn has received two requests for Eligibility Reviews and seven requests for Compensation Reviews. Two of these requests for Review have subsequently been withdrawn, leaving one request for an Eligibility Review and six requests for a Compensation Review.*

*These Reviews are currently being processed in accordance with the established procedure. This work includes considering the request for Review, correspondence with the Group Members regarding the request, explaining the Review process, obtaining further material necessary to undertake the Review and briefing the Review Assessor.*

*In the month of July 2017 Maurice Blackburn spent an increased amount of time managing one of the Eligibility Review requests. The particular claimant had engaged independent lawyers and the work done in relation to this Review included communicating with the claimant and his lawyer, reviewing the Eligibility Book material and preparing correspondence. Ultimately this request for Review was withdrawn after the Administrators exercised their discretion to seek a bond of \$1,000 under clause 9.4 on the basis that the request for an Eligibility Review was lacking in merit because the Group Member had not been implanted with an ASR implant.*

*Although it is difficult to predict, it is possible that the costs associated with Reviews will increase until the end of 2018 – this is because the number of completed Individual Assessments will increase during that time. Given 94.5% of eligibility determinations have now been made and the review period for almost all of these has now passed, the Administrators do not expect any significant costs associated with Eligibility Reviews.*

### 2019 Relevant Period

This is the second area where there was an appreciable increase in Maurice Blackburn's work and costs for the 2019 Relevant Period compared to the 2018 Relevant Period.

Essentially this is due to the fact that as more and more individual assessments have been completed, so too there have been more requests for a Review (noting that there has only been 1 request for Review associated with an eligibility determination, and that group members who elect the Fast Track Resolution are not able to review their compensation amounts (see clause 9.1 of the Scheme)).

In other words, as anticipated in the 2018 MB Administration Report, the increase is directly related to the increase in individual assessments being completed.

Over the relevant period, Maurice Blackburn has received a total of 12 individual assessment Reviews:

- a) 10 MB
- b) 2 DBH

All work associated with setting up the Review processes was completed during the 2018 Relevant Period, the work undertaken in the 2019 Relevant Period has included considering the requests for Review, correspondence with the Group Members regarding the request, explaining the Review process, obtaining further material necessary to undertake the Review and briefing the Review Assessor.

It is anticipated that work associated with individual assessment Reviews will continue to fluctuate for the remainder of the administration but taper off overall given the number of individual assessments and eligibility determinations remaining to be completed is low.

## 10.00 Workflow / Process development

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$48,708.55	31.98%	77.38%	22.62%
Mar-17	\$79,906.75	27.57%	76.45%	23.55%
Apr-17	\$42,139.90	22.97%	76.99%	23.01%
May-17	\$59,736.60	19.36%	78.19%	21.81%
Jun-17	\$30,076.20	10.72%	91.28%	8.72%
Jul-17	\$28,691.30	12.35%	74.76%	25.24%
Aug-17	\$16,133.70	7.01%	45.15%	54.85%
Sep-17	\$18,195.10	7.93%	79.94%	20.06%
Oct-17	\$16,105.10	6.98%	81.52%	18.48%
Nov-17	\$21,742.60	10.73%	95.78%	4.22%
Dec-17	\$5,469.20	3.83%	65.09%	34.91%
Jan-18	\$3,380.30	2.24%	74.19%	25.81%
Feb-18	\$3,428.70	1.76%	44.23%	55.77%
Mar-18	\$259.60	0.15%	15.38%	84.62%
<b>Total</b>	<b>\$373,973.60</b>	<b>-</b>	<b>77.11%</b>	<b>22.89%</b>
<b>% of Total Costs</b>	<b>12.46%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$1,430.00	13.07%	51.72%	48.28%
May-18	\$1,758.90	16.08%	55.56%	44.44%
Jun-18	\$1,345.30	12.30%	100.00%	0.00%
Jul-18	\$3,873.10	35.40%	65.26%	34.74%
Aug-18	\$831.60	7.60%	100.00%	0.00%
Sep-18	\$356.40	3.26%	100.00%	0.00%
Oct-18	\$1,032.90	9.44%	100.00%	0.00%
Nov-18	\$0.00	0.00%	-	-
Dec-18	\$240.90	2.20%	100.00%	0.00%
Jan-19	\$70.40	0.64%	0.00%	100.00%
Feb-19	\$0.00	0.00%	-	-
Mar-19	\$0.00	0.00%	-	-
<b>Total</b>	<b>\$10,939.50</b>	<b>100.00%</b>	<b>70.98%</b>	<b>29.02%</b>
<b>% of Total Costs</b>	<b>0.76%</b>			

## 2018 Relevant Period

*The Administrators have continued to focus on developing and refining a number of significant administration work flows and processes. In broad terms this work involves consideration of the various stages of the administration and requirements of the Scheme and Settlement Protocol, documenting how particular work flows or processes will be implemented, how these work flows and processes fit within the existing Online Database and what additional IT development is required or justified and developing precedent documents related to the work flow or process. This work is done collaboratively between the Administrators.*

*In the months February 2017 to May 2017, the Administrators spent significant time on work flow and process development related to eligibility determinations and elections, medical record requests, management of documents, resolution of liens and payments to Group Members.*

*From May 2017 through to December 2017, the Administrators worked together closely to develop the work flow and process required for the Individual Assessment of claims. This involved careful consideration of the most efficient way to implement each step in the process from obtaining instructions from Group Members by way of detailed questionnaire, consultation with Assessors and independent experts about the information needed, processes for requesting supporting documents, collating information and documents, allocation of Claim Books to independent Assessors, completion of assessments and review of assessments. Careful consideration was given to work flows and process that would ensure consistency across the four firms while taking account of the different internal practices of each firm.*

*There continues to be ongoing work associated with refining and updating existing workflows and processes as the administration progresses and priorities change. As was estimated at [53] of the 8 June 2017 Affidavit, work involved in workflow and process development began to reduce in July 2017 relative to the levels that had been seen in the preceding months, and since December 2017 this area of work reduced even further once the workflows and processes for the Individual Assessment process had been largely settled. Costs involved in this area of work are expected to remain at this lower level until the end of 2018, and are likely to taper off even more from the beginning of 2019 until the conclusion of the administration.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with workflow and process development reduced substantially from the 2018 Relevant Period, with average monthly costs of \$911 compared to \$26,712 in the 2018 Relevant Period.

As the individual assessment process began to be bedded down in late 2017, there was a significant reduction in monthly work and costs from December 2017 which continued to trend downward during the first half of 2018, and work and costs then reduced even more so in the second half of 2018 and beyond.

While new and unexpected issues will continue to require minor adjustment of workflows and process from time to time, it is anticipated that there will be minimal work and costs associated with workflow and process development for the remainder of the administration.

## 11.00 Group Member inquiries

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$2,411.20	1.58%	34.62%	65.38%
Mar-17	\$2,509.10	0.87%	63.04%	36.96%
Apr-17	\$6,498.80	3.54%	32.68%	67.32%
May-17	\$7,264.40	2.35%	59.18%	40.82%
Jun-17	\$3,286.80	1.17%	57.69%	42.31%
Jul-17	\$7,730.80	3.33%	59.74%	40.26%
Aug-17	\$4,658.50	2.02%	38.32%	61.68%
Sep-17	\$3,931.40	1.71%	24.22%	75.78%
Oct-17	\$7,651.60	3.32%	75.20%	24.80%
Nov-17	\$3,580.50	1.77%	74.19%	25.81%
Dec-17	\$1,413.50	0.99%	46.43%	53.57%
Jan-18	\$622.60	0.41%	52.38%	47.62%
Feb-18	\$783.20	0.40%	41.18%	58.82%
Mar-18	\$1,446.50	0.83%	29.41%	70.59%
<b>Total</b>	<b>\$53,788.90</b>	<b>-</b>	<b>49.49%</b>	<b>50.51%</b>
<b>% of Total Costs</b>	<b>1.79%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$513.70	2.96%	15.38%	84.62%
May-18	\$589.60	3.39%	28.57%	71.43%
Jun-18	\$118.80	0.68%	100.00%	0.00%
Jul-18	\$1,507.00	8.67%	48.48%	51.52%
Aug-18	\$1,540.00	8.86%	41.67%	58.33%
Sep-18	\$1,050.50	6.05%	36.00%	64.00%
Oct-18	\$268.40	1.54%	100.00%	0.00%
Nov-18	\$1,311.20	7.55%	100.00%	0.00%
Dec-18	\$3,687.20	21.22%	70.91%	29.09%
Jan-19	\$1,680.80	9.68%	100.00%	0.00%
Feb-19	\$2,498.10	14.38%	80.00%	20.00%
Mar-19	\$2,607.00	15.01%	91.30%	8.70%
<b>Total</b>	<b>\$17,372.30</b>	<b>100.00%</b>	<b>67.30%</b>	<b>32.70%</b>
<b>% of Total Costs</b>	<b>1.20%</b>			

## 2018 Relevant Period

*In broad terms, this area of the administration encompasses all enquiries that do not fit under the fixed fee claim preparation costs or relate to a specific task code category.*

*The volume of enquiries received by Maurice Blackburn has varied over time. On any particular day, the volume of email and telephone enquiries ranges from 5 to 20 enquiries. The nature of enquiries that fall under this category, include but are not limited to:*

- a) Enquiries relating to the various processes and procedures of the administration;*
- b) Enquiries relating to the overall progress and statistics of the administration;*
- c) Enquiries relating to the costs of the administration;*
- d) Enquiries relating to taxation implications;*
- e) Enquiries regarding timeframes for next steps;*
- f) Enquiries from Group Members from DBH, LAM and Shine;*
- g) Enquiries relating to bilateral revisions;*
- h) Enquiries relating to future revisions;*
- i) Enquiries relating to third party reporting obligations;*
- j) Enquiries from Group Members following registration regarding non-ASR implants;*
- k) Provision of updated contact details from Group Members; and*
- l) Enquiries from potential Group Members regarding the eligibility criteria and registration.*

*In the first instance these enquiries are dealt with by a legal assistant (the costs of which are not claimable under clause 13.2 of the Scheme) and by paralegals, and are then escalated to lawyers when it is necessary to do so.*

*It is expected that time spent by the Administrators dealing with general Group Member enquiries will continue to vary and may increase at times, such as when an update is provided to Group Members following a case management conference or revised advice from actuarial experts on the expected recovery percentage and final tranche payments. Despite this it is expected that these costs will gradually taper off for the remainder of the administration for the simple reason that as more and more claims are finalised and paid, there will be an increasingly smaller pool of Group Members who have extant claims that may give rise to inquiries.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with Group Member inquiries reduced more than 40% on an average monthly basis compared to the 2018 Relevant Period. The nature of work has remained the same or similar to that set out in the 2018 MB Administration Report.

As anticipated, the work associated with Group Member inquiries varied from month to month however overall it has continued to taper off as more group member claims have been finalised and paid.

Since December 2018, Maurice Blackburn noticed a slight increase in inquiries from Group Members who have undergone individual assessment seeking updates regarding revised advice from actuarial experts on the expected recovery percentage and final tranche payments. It is anticipated that the volume of Group Member inquiries will remain steady until the final tranche payments have been made after which time there may be a slight increase in response to information provided about the final tranche payment. It is expected that inquiries will then taper off and remain low for the remainder of the administration.



## 12.00 Bulk updates to Group Members

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$246.40	0.16%	0.00%	100.00%
Mar-17	\$9,170.70	3.16%	94.67%	5.33%
Apr-17	\$1,562.00	0.85%	52.78%	47.22%
May-17	\$290.40	0.09%	100.00%	0.00%
Jun-17	\$8,662.50	3.09%	56.08%	43.92%
Jul-17	\$2,383.70	1.03%	64.15%	35.85%
Aug-17	\$589.60	0.26%	6.56%	93.44%
Sep-17	\$556.60	0.24%	10.14%	89.86%
Oct-17	\$1,794.10	0.78%	39.34%	60.66%
Nov-17	\$4,954.40	2.45%	58.62%	41.38%
Dec-17	\$0.00	0.00%	0.00%	100.00%
Jan-18	\$193.60	0.13%	25.00%	75.00%
Feb-18	\$0.00	0.00%	0.00%	0.00%
Mar-18	\$0.00	0.00%	0.00%	0.00%
<b>Total</b>	<b>\$30,404.00</b>	<b>-</b>	<b>54.42%</b>	<b>45.58%</b>
<b>% of Total Costs</b>	<b>1.01%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$0.00	0.00%	-	-
May-18	\$335.50	2.89%	100.00%	0.00%
Jun-18	\$312.40	2.69%	100.00%	0.00%
Jul-18	\$8,574.50	73.91%	68.52%	30.25%
Aug-18	\$0.00	0.00%	-	-
Sep-18	\$0.00	0.00%	-	-
Oct-18	\$0.00	0.00%	-	-
Nov-18	\$0.00	0.00%	-	-
Dec-18	\$0.00	0.00%	-	-
Jan-19	\$0.00	0.00%	-	-
Feb-19	\$671.00	5.78%	100.00%	0.00%
Mar-19	\$1,707.20	14.72%	100.00%	0.00%
<b>Total</b>	<b>\$11,600.60</b>	<b>100.00%</b>	<b>75.48%</b>	<b>23.56%</b>
<b>% of Total Costs</b>	<b>0.80%</b>			

## 2018 Relevant Period

*This area of the administration deals with any correspondence to Group Members that is sent in bulk, such as a general update following a case management conference.*

*The majority of Group Members registered in the class action can receive correspondence via email and therefore where possible correspondence is sent to Group Members by this method rather than by ordinary mail. Sending correspondence by email is cost efficient and ensures the correspondence is received in a timely manner.*

*Since February 2017, the Administrators have completed various bulk communications to Group Members, including:*

- *In March 2017 all registered Group Members were sent an update on the status of their claim.*
- *In April and May 2017 an information package was sent to all Group Members who had elected Individual Assessment.*
- *In June 2017 and July 2017 an update letter was sent to all registered Group Members regarding the outcome of the June 2017 hearing.*
- *In November 2017 an update letter was sent to all registered Group Members regarding the progress of the administration.*

*The Administrators send these bulk updates on behalf of DBH and LAM.*

*Maurice Blackburn has also continued to have responsibility for updating and maintaining the website referred to at [39] of the 8 June 2017 Affidavit. Again, as more and more claims are finalised and paid, there will be an increasingly smaller pool of Group Members who have extant claims and the need for bulk updates to Group Members will reduce commensurately.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with bulk updates to Group Members reduced 55% on an average monthly basis compared to the 2018 Relevant Period. The nature of work has remained the same or similar to that set out in the 2018 MB Administration Report.

As anticipated at the time of the 2018 MB Administration Report, as more Group Member claims are finalised and paid, there is an increasingly smaller pool of Group Members who have extant or ongoing claims and the number of Group Members who receive the updates reduces commensurately. Also, over time it has become necessary to send bulk communications less frequently because the number of Group Members with ongoing claims is constantly reducing and the Administrators are in any event in regular contact with those Group Members for the purpose of finalising their individual claims.

Since April 2018, the Administrators have completed two bulk communications to Group Members.

- In July 2018, there was an update sent to Group Members following the June 2018 hearing. The cost of this bulk communication were in line with the costs of the bulk communication to Group Members following the June 2017 hearing.

- In the month of March 2019 there was preparation for an update to be sent only to individual assessment Group Members updating them on the engagement of the actuarial experts to provide advice on the expected recovery percentage and on the process leading to final tranche payments being made.

It is anticipated that work associated with bulk communication will fluctuate but remain low for the remainder of the administration.

### 13.00 Managing Group Member data / updating admin portal

#### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$10,030.90	6.59%	65.95%	34.05%
Mar-17	\$10,499.50	3.62%	62.12%	37.88%
Apr-17	\$4,134.90	2.25%	61.90%	38.10%
May-17	\$2,723.60	0.88%	40.91%	59.09%
Jun-17	\$3,826.90	1.36%	95.71%	4.29%
Jul-17	\$10,400.50	4.48%	64.22%	35.78%
Aug-17	\$9,714.10	4.22%	64.59%	35.41%
Sep-17	\$8,287.40	3.61%	90.44%	9.56%
Oct-17	\$1,089.00	0.47%	59.09%	40.91%
Nov-17	\$2,611.40	1.29%	43.86%	56.14%
Dec-17	\$926.20	0.65%	93.75%	6.25%
Jan-18	\$2,833.60	1.88%	75.47%	24.53%
Feb-18	\$1,054.90	0.54%	78.95%	21.05%
Mar-18	\$779.90	0.45%	100.00%	0.00%
<b>Total</b>	<b>\$68,912.80</b>		<b>67.64%</b>	<b>32.36%</b>
<b>% of Total Costs</b>	<b>2.30%</b>			

#### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$6,507.60	5.91%	94.64%	5.36%
May-18	\$12,369.50	11.24%	93.36%	11.06%
Jun-18	\$40,719.80	37.00%	11.37%	88.63%
Jul-18	\$11,763.40	10.69%	12.39%	87.61%
Aug-18	\$10,698.60	9.72%	47.19%	52.81%
Sep-18	\$1,705.00	1.55%	11.11%	88.89%
Oct-18	\$798.60	0.73%	4.55%	95.45%
Nov-18	\$70.40	0.06%	0.00%	100.00%
Dec-18	\$3,928.10	3.57%	100.00%	0.00%
Jan-19	\$5,000.60	4.54%	97.65%	2.35%
Feb-19	\$3,867.60	3.51%	39.37%	60.63%
Mar-19	\$12,614.80	11.46%	16.57%	83.43%
<b>Total</b>	<b>\$110,044.00</b>	<b>100.00%</b>	<b>32.05%</b>	<b>68.33%</b>
<b>% of Total Costs</b>	<b>7.63%</b>			

## 2018 Relevant Period

*This area of the administration encompasses all aspects of managing, reviewing and internally auditing overall Group Member data to ensure the integrity of that data for accuracy in progressing the administration. In order to do this, senior members of Maurice Blackburn run data reports on specific aspects of the administration. The reports are analysed and interrogated as to the status of each claim relating to the specific aspect.*

*The importance of undertaking this task is that it allows any data discrepancies to be identified and corrected, as well as to identify any outliers or roadblocks, progress any claims that have been delayed and identify and follow up on any other issues.*

*Other work involved in managing and analysing the overall progress of Group Member data is enabling key milestone targets to be set and monitored to ensure the administration is progressing through the various key stages.*

*Between February 2017 and September 2017 there was a relatively high amount of costs in comparison to the period from October 2017 until March 2018. During the initial period of the administration Maurice Blackburn was creating the Online Database and inputting, amending and auditing data to ensure it was captured accurately and reflected the progress of the individual claims. From October 2017, Maurice Blackburn managed all its data through the Online Database which, by reference to the time spent is an efficient way of managing the claim data.*

*It is expected that as the administration concludes the time spent on managing Group Member data will fluctuate. This data management is crucial for the actuarial experts to provide their advice and to manage payments to Group Members in accordance with clause 10.4 of the Scheme. Over the remainder of 2018, it is expected that the time spent on Group Member data will increase, then following the first tranche payment to Individual Assessment Group Members is it likely to taper off and then remain steady for the remainder of the administration.*

## 2019 Update

This is the third area of work where Maurice Blackburn's work and costs for the 2019 Relevant Period increased significantly in comparison to the 2018 Relevant Period. Maurice Blackburn's average monthly costs associated with managing Group Member data and updating the administration portal were \$9,170, an increase of 86% on the average monthly amount of \$4,922 in the 2018 Relevant Period.

As anticipated at the time of the 2018 MB Administration Report time spent managing Group Member data has fluctuated over the 2019 Relevant Period.

During the 2019 Relevant Period, in addition to the general management of Group Member data, Maurice Blackburn has undertaken a systematic internal audit of various key aspects of the administration data. This auditing process is a crucial aspect of the administration management and preparation for obtaining updated actuarial advice on the recovery percentage and final tranche payment to Group Members.

Once a group member received payment of their compensation, the internal audits included, reviewing each individual group member file to ensure:

- All relevant notices and letters were sent to the group member;
- All liens, including Private Health Insurers, Medicare and Centrelink were resolved, including ensuring a Notice of Charge was received and all residual liens were paid;
- The Admin Portal was updated correctly throughout all progress stages

- Payment to the group member had been completed and correspondence sent to the group member confirming payment

If an issue was identified by a paralegal, this was discussed with the supervising lawyer and the appropriate steps were taken to resolve the identified issue.

This work was undertaken by paralegal members of the Maurice Blackburn administration team and supervised by a lawyer.

## 14.00 Engagement of Experts

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$1,631.30	1.07%	100.00%	0.00%
Mar-17	\$0.00	0.00%	0.00%	0.00%
Apr-17	\$0.00	0.00%	0.00%	0.00%
May-17	\$67.10	0.02%	100.00%	0.00%
Jun-17	\$2,781.90	0.99%	100.00%	0.00%
Jul-17	\$5,926.80	2.55%	100.00%	0.00%
Aug-17	\$2,328.70	1.01%	100.00%	0.00%
Sep-17	\$13,484.90	5.88%	100.00%	0.00%
Oct-17	\$16,615.50	7.20%	92.34%	7.66%
Nov-17	\$6,652.80	3.28%	60.94%	39.06%
Dec-17	\$8,269.80	5.80%	83.10%	16.90%
Jan-18	\$1,978.90	1.31%	100.00%	0.00%
Feb-18	\$13,263.80	6.82%	100.00%	0.00%
Mar-18	\$2,451.90	1.41%	100.00%	0.00%
<b>Total</b>	<b>\$75,453.40</b>	<b>-</b>	<b>91.85%</b>	<b>8.15%</b>
<b>% of Total Costs</b>	<b>\$2.51%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$5,090.80	10.41%	100.00%	0.00%
May-18	\$8,560.20	17.50%	100.00%	0.00%
Jun-18	\$16,935.60	34.62%	100.00%	0.00%
Jul-18	\$67.10	0.14%	100.00%	0.00%
Aug-18	\$1,359.60	2.78%	100.00%	0.00%
Sep-18	\$1,939.30	3.96%	100.00%	0.00%
Oct-18	\$898.70	1.84%	73.33%	26.67%
Nov-18	\$1,744.60	3.57%	100.00%	0.00%
Dec-18	\$738.10	1.51%	100.00%	0.00%
Jan-19	\$0.00	0.00%	-	-
Feb-19	\$1,986.60	4.06%	100.00%	0.00%
Mar-19	\$9,596.40	19.62%	100.00%	0.00%
<b>Total</b>	<b>\$48,917.00</b>	<b>100.00%</b>	<b>99.46%</b>	<b>0.54%</b>
<b>% of Total Costs</b>	<b>3.39%</b>			

## 2018 Relevant Period

*The work associated with experts has included drafting letters of instructions, preparation of materials to be briefed to the experts, correspondence between Maurice Blackburn and experts, preparation for conferences and attendances at conferences. The Administrators have collaborated when required and in relation to key decisions.*

*In the months of September 2017 and October 2017, Maurice Blackburn undertook work on behalf of the Administrators in seeking updated taxation advice from PricewaterhouseCoopers, updated actuarial advice from Finity as well as advice from Integrate Rehab, occupational therapists, on the Individual Assessment process in particular the assessment of future care needs.*

*In February 2018, Maurice Blackburn engaged Finity to provide updated advice on the estimated number of claimants, which involved providing updated instructions, correspondence between Finity and Maurice Blackburn and attendances at conferences.*

*Since February 2017, the time spent by the Administrators dealing with experts has varied from month to month. It is expected that this pattern will continue for the remainder of the administration and may increase toward the end of 2019 when actuarial and taxation advice will become an integral aspect of the Administrators' decisions about final payments and the size of contingency funds to be held to account for new registrations for the remainder of the administration.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with the engagement of experts has reduced by about 25% compared to the 2018 Relevant Period.

Below we set out a description of noteworthy aspects of the work with the primary experts engaged by the Administrators.

In the future it is anticipated that work associated with the engagement of experts will continue to occur on an occasional and fluctuating basis as needed, including future actuarial advice and ongoing taxation advice. Overall it is anticipated that this area of work will remain relatively modest subject to periods of activity from time to time.

### Finity – actuarial experts

In June 2018, there was an increase in work undertaken by Maurice Blackburn in instructing Finity to prepare updated actuarial advice on the first tranche payment to individual assessment Group Members. Their report formed part of the material put before the court at the June 2018 hearing.

In March 2019, the Administrators instructed Finity to advise on their recommended final recovery percentage and tranche payment that could be made to Group Members. In response to these instructions, Finity recommended that their advice would benefit from an external audit of the administration data by an independent third party auditor.

### RSM Australia – auditors

In March 2019, the Administrators engaged Kristie Dundon of RSM Australia to undertake the external audit that had been recommended by Finity. The scope of this audit has been limited to the key aspects of the administration data that may impact the outcome of Finity's final advice.



PricewaterhouseCoopers – taxation experts

Over the 2019 Relevant Period, the Administrators have had some interactions with PricewaterhouseCoopers in relation to taxation advice and preparation of tax returns for the Scheme. These interactions have been on an ad hoc basis as needed and account for a portion of the costs incurred under this task code during the 2019 Relevant Period.

### 15.00 – Engagement of Costs Expert (no charge)

#### 2018 Relevant Period

	Total Hours	Work by lawyers (hours (%))	Work by non- lawyers (hours (%))
Feb-17	0	0.00%	0.00%
Mar-17	2.5	100.00%	0.00%
Apr-17	19.5	98.97%	1.03%
May-17	19.9	88.44%	11.56%
Jun-17	90.8	68.83%	31.17%
Jul-17	0.6	100.00%	0.00%
Aug-17	0	0.00%	0.00%
Sep-17	0	0.00%	0.00%
Oct-17	0.2	100.00%	0.00%
Nov-17	0	0.00%	0.00%
Dec-17	0	0.00%	0.00%
Jan-18	0.1	100.00%	0.00%
Feb-18	0.4	100.00%	0.00%
Mar-18	11.4	96.49%	3.51%
<b>Total</b>	<b>145.4</b>	<b>90.96%</b>	<b>9.04%</b>

#### 2019 Relevant Period

	Total Hours	Work by lawyers (hours (%))	Work by non- lawyers (hours (%))
Apr-18	26.20	98.47%	1.55%
May-18	73.60	84.38%	18.52%
Jun-18	23.70	100.00%	0.00%
Jul-18	0.70	100.00%	0.00%
Aug-18	1.30	100.00%	0.00%
Sep-18	0.70	100.00%	0.00%
Oct-18	0.20	100.00%	0.00%
Nov-18	0.00	-	-
Dec-18	0.30	100.00%	0.00%
Jan-19	0.00	-	-
Feb-19	2.70	100.00%	0.00%
Mar-19	2.20	100.00%	0.00%
<b>Total</b>	<b>131.60</b>	<b>90.96%</b>	<b>9.04%</b>

## 2018 Relevant Period

*This area of the administration encompasses all aspects of engaging with the independent costs expert, Ross Nicholas, in preparation for seeking approval of Administration Costs at hearings. Maurice Blackburn has elected not to seek payment for any work undertaken in engaging with Mr Nicholas. In total, during this period, there were 145.4 hours worked.*

*In March 2017, Mr Nicholas was engaged to prepare a report on Administration Costs for the June 2017 hearing. In April 2017, Maurice Blackburn liaised with Mr Nicholas in relation to his engagement and drafted a letter of instruction, which was provided to Mr Nicholas in May 2017. In May 2017, a brief was prepared and provided to Mr Nicholas. Mr Nicholas was also provided with access to the Online Database.*

*In June 2017, there was a significant increase in work undertaken by Maurice Blackburn to assist in providing information requested by Mr Nicholas for his report. This included numerous meetings and telephone conferences with Mr Nicholas to provide him with both high level and detailed information regarding the steps required to process an individual claim, the management of the Online Database, the management of files and information in relation to our billing procedures and practices. Additionally, the Administrators prepared various tables and summaries of the costs data for Mr Nicholas to analyse and as required would provide further material and direction when requested by Mr Nicholas.*

*In March 2018, the Administrators contacted Mr Nicholas to instruct him to commence work preparing a further costs report in preparation for the anticipated June 2018 hearing. This included senior lawyers at Maurice Blackburn spending two days with Mr Nicholas in Melbourne providing an update on administration work and progress during the Relevant Period.*

## 2019 Update

As in previous years, Maurice Blackburn does not seek recovery of any professional fees associated with the preparation of Mr Nicholas' report for the 2019 Relevant Period.

During the 2019 Relevant Period, Maurice Blackburn work in engaging Ross Nicholas reduced slightly from the 2018 Relevant Period.

Predictably, Maurice Blackburn's work with Mr Nicholas tends to be focussed on the months leading up to each annual report to the Court and tends to crescendo in the month or two before each annual report to the Court, with minimal if any work during other times.

## 16.00 Preparing for and/or appearing in a Court Application

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$1,042.80	0.68%	100.00%	0.00%
Mar-17	\$15,324.10	5.29%	35.20%	64.80%
Apr-17	\$10,598.50	5.78%	40.45%	59.55%
May-17	\$59,121.70	19.16%	98.11%	1.89%
Jun-17	\$99,580.80	35.51%	92.27%	7.73%
Jul-17	\$292.60	0.13%	100.00%	0.00%
Aug-17	\$0.00	0.00%	0.00%	0.00%
Sep-17	\$0.00	0.00%	0.00%	0.00%
Oct-17	\$0.00	0.00%	0.00%	0.00%
Nov-17	\$0.00	0.00%	0.00%	0.00%
Dec-17	\$0.00	0.00%	0.00%	0.00%
Jan-18	\$0.00	0.00%	0.00%	0.00%
Feb-18	\$0.00	0.00%	0.00%	0.00%
Mar-18	\$7,546.00	4.34%	100.00%	0.00%
<b>Total</b>	<b>\$193,506.50</b>	<b>-</b>	<b>85.60%</b>	<b>14.40%</b>
<b>% of Total Costs</b>	<b>6.45%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$19,582.20	8.86%	100.00%	0.00%
May-18	\$69,786.20	31.59%	91.40%	8.60%
Jun-18	\$105,633.00	47.81%	97.24%	2.76%
Jul-18	\$0.00	0.00%	-	-
Aug-18	\$3,369.30	1.53%	93.48%	6.52%
Sep-18	\$2,607.00	1.18%	31.15%	68.85%
Oct-18	\$86.90	0.04%	100.00%	0.00%
Nov-18	\$3,775.20	1.71%	100.00%	0.00%
Dec-18	\$67.10	0.03%	100.00%	0.00%
Jan-19	\$0.00	0.00%	-	-
Feb-19	\$10,373.00	4.70%	100.00%	0.00%
Mar-19	\$5,652.90	2.56%	100.00%	0.00%
<b>Total</b>	<b>\$220,992.80</b>	<b>100.00%</b>	<b>94.49%</b>	<b>5.51%</b>
<b>% of Total Costs</b>	<b>15.31%</b>			

## 2018 Relevant Period

*This area of the administration relates to the preparation for and appearance at Court Applications. The Relevant Period covers the time spent by the Administrators in preparing for the June 2017 hearing. The June 2017 hearing was heard over two days, 14 June and 28 June 2017 and Maurice Blackburn filed two substantial affidavits in support of the Application.*

*Preparation of the affidavit material filed on behalf of the Administrators in advance of the Court Applications is the most significant aspect of time recorded under this task code. Any time spent on instructing and dealing with the independent costs expert is recorded under task code 15 and is not charged to the Scheme.*

*The Administrators made the decision to brief counsel, Zoe Hillman to appear at the June 2017 hearing as well as this current Application. Ms Hillman was briefed by Tammy Stanford and Jamie Dunsmore (the Applicants) to appear at the hearing of the proceeding from March to June 2015 as well as the application for settlement approval in June 2016, and she therefore has a detailed understanding of the background of the proceeding itself and the administration. Because of Ms Hillman's background in the matter there has been less time spent by the Administrators than there may otherwise have been had entirely new counsel been briefed. To the extent that involvement of counsel is needed, the Administrators intend to continue to brief Ms Hillman.*

*The time spent by the Administrators in preparing for and appearing at Court Applications will continue to spike in the periods leading up to any such application. However, the Administrators expect that as the administration progresses, the amount of work involved in these applications will taper off and the applications will become more straightforward.*

## 2019 Update

As in previous years, the primary work and costs in this area relates to the annual report to the Court that has occurred in June of each year since the settlement was approved in June 2016. Reports to the Court have taken place in June 2017 and June 2018 and a report to the Court is again proposed to occur in June 2019.

Costs associated with the report to the Court in June 2018 were broadly comparable to the costs of the report to the Court in June 2017 when considering monthly costs from February to June in each of 2017 and 2018.

In addition to the regular annual reports to the Court in June each year, Maurice Blackburn prepared applications to the Court as follows:

- In June 2018, the Administrators undertook work preparing an application to the Court to amend clause 12 of the Amended Settlement Scheme in order to improve the process by which claims of Group Members under a legal incapacity were to be processed. This application was approved by the Court in August 2018.
- In August and September 2018 Maurice Blackburn undertook work preparing an application for the approval of the claims of Group Members under a legal incapacity in accordance with the amendments to clause 12 of the Amended Settlement Scheme that had been approved in August 2018. This application was filed in October 2018.
- In November 2018, Maurice Blackburn undertook work responding to a request for further clarification from the Court arising out of the claim of one group member included in the October 2018 application.

- In February 2019, Maurice Blackburn undertook work preparing and filing an urgent application for the approval of a further claim of a Group Members under a legal incapacity.
- In March 2019, Maurice Blackburn undertook work preparing a further application for the approval of the claims of Group Members under a legal incapacity, which was filed on 1 April 2019.

In February 2019, the Administrators commenced preparation for the proposed report to the Court in June 2019.

The Administrators anticipate the time spent preparing for the June 2019 hearing will be consistent with the time spent in 2017 and 2018 or potentially somewhat less than in previous years. Annual reports to the Court in future years are expected to be more straightforward and therefore associated costs are anticipated to be less than in 2017, 2018 and 2019.

## 17.00 IT systems development and maintenance

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$7,760.50	5.10%	85.53%	14.47%
Mar-17	\$27,934.50	9.64%	95.96%	4.04%
Apr-17	\$20,213.60	11.02%	98.08%	1.92%
May-17	\$18,388.70	5.96%	97.68%	2.32%
Jun-17	\$2,559.70	0.91%	91.04%	8.96%
Jul-17	\$12,614.80	5.43%	90.87%	9.13%
Aug-17	\$21,960.40	9.54%	90.05%	9.95%
Sep-17	\$18,714.30	8.16%	77.88%	22.12%
Oct-17	\$28,766.10	12.47%	81.23%	18.77%
Nov-17	\$9,280.70	4.58%	83.63%	16.37%
Dec-17	\$12,258.40	8.59%	99.01%	0.99%
Jan-18	\$15,176.70	10.06%	98.80%	1.20%
Feb-18	\$15,965.40	8.21%	99.28%	0.72%
Mar-18	\$26,805.90	15.43%	100.00%	0.00%
<b>Total</b>	<b>\$238,399.70</b>	<b>-</b>	<b>92.24%</b>	<b>7.76%</b>
<b>% of Total Costs</b>	<b>7.94%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$11,555.50	21.98%	100.00%	0.00%
May-18	\$11,426.80	21.73%	100.00%	0.00%
Jun-18	\$5,379.00	10.23%	100.00%	0.00%
Jul-18	\$9,033.20	17.18%	100.00%	0.00%
Aug-18	\$3,326.40	6.33%	100.00%	0.00%
Sep-18	\$3,121.80	5.94%	96.23%	3.77%
Oct-18	\$1,723.70	3.28%	70.00%	30.00%
Nov-18	\$201.30	0.38%	100.00%	0.00%
Dec-18	\$335.50	0.64%	100.00%	0.00%
Jan-19	\$2,502.50	4.76%	100.00%	0.00%
Feb-19	\$2,755.50	5.24%	100.00%	0.00%
Mar-19	\$1,221.00	2.32%	85.71%	14.29%
<b>Total</b>	<b>\$52,582.20</b>	<b>100.00%</b>	<b>98.16%</b>	<b>1.84%</b>
<b>% of Total Costs</b>	<b>3.64%</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2018 Relevant Period

*Pursuant to clause 6 of the Settlement Protocol Maurice Blackburn has responsibility for developing and maintaining the Online Database. This Online Database holds all Group Member data across the four firms. This data ranges from contact details, doctors and surgery details, eligibility details, election details, liens details, interests of third parties such as Centrelink, employment status, Individual Assessment progress and payment details.*

*In developing and maintaining the Online Database Maurice Blackburn works closely with its own internal business analysts and developers. The time and costs associated with task code 17 relate to Maurice Blackburn working with and instructing the business analysts and developers.*

*Although clause 13.1 of the Scheme provides for the costs of litigation technology consultants to be paid at a rate of \$240 per hour, no time spent by Maurice Blackburn's technology staff have been claimed as Administration Costs. Since February 2017, Maurice Blackburn's technology staff have worked a total of 1,500 – 2,000 hours in developing the bespoke IT systems that support the administration of the settlement, in addition to the significant amounts of time that they had spent before February 2017 (as described at [21]-[22] of the 8 June 2017 Affidavit).*

*The role of the business analyst is to work with Maurice Blackburn to define and document the needs and requirements of the administration, in order to facilitate the development of a solution. The business analyst is then responsible for taking the defined requirements and translating these into more detailed technical requirements, which are then communicated to the developer. Throughout the development process and subsequent testing of a solution, it is the role of the business analyst to ensure that the requirements continue to be met so that the solution remains in line with the expectations of Maurice Blackburn.*

*The developer is then tasked to design, build, and subsequently maintain technical applications and solutions communicated to them by the business analyst. The technical aspects of the role include writing code, testing and modifying systems, fault diagnosis, bug fixes, and general support, as well as advice on any technical limitations that a solution may encounter.*

*The reason both of these roles are necessary is that the developer is required as their technical skills and expertise are necessary for the design, build and implementation of any solution involving systems and applications. On the other hand, the business analyst is required as an intermediary between the developer and Maurice Blackburn, as their knowledge and understanding of processes ensures the requirements are met by the solution designed. Without the work of a business analyst, the risk arises that business requirements are inadequately defined or ineffectively translated in technical requirements, and the solution delivered by the developer will not meet expectations.*

*In order to implement a development or amendment to the Online Database, the steps are as follows:*

- 1. Maurice Blackburn communicate the need to the business analyst, including information regarding the requirements;*
- 2. The business analyst discusses this briefly with the developer, including estimate of time involved in the development;*
- 3. The business analyst then communicates the scope and development of work involved to Maurice Blackburn;*
- 4. Maurice Blackburn undertakes a costs benefit analysis as to whether the need for the development is such that the time is justified;*
- 5. If it is decided to proceed with the development Maurice Blackburn communicates this to the business analyst;*



6. The business analyst then drafts a 'mock up' of these changes and provides this to Maurice Blackburn to review and provide feedback, and to ensure the needs and expectations are understood;
7. Once Maurice Blackburn has provided confirmation to the business analyst, they document these requirements in more detail and communicate this to the developer;
8. The developer then designs and builds the requirement into the 'test environment' of the Online Database;
9. Interactions will continue between the business analyst and the developer as the business analyst tests the new solutions and identifies any issues;
10. Once any identified issues are resolved, the business analysts liaise with Maurice Blackburn to update them on the progress of the development;
11. Maurice Blackburn spends time reviewing and testing the solutions and provides any necessary feedback; and
12. Once all feedback issues are resolved, the developer deploys the changes into the 'live' Online Database.

Since February 2017, significant time has been spent by Maurice Blackburn on the development of the ability within the Online Database to manage the Individual Assessment data to allow for the change in the estimated recovery percentage and the payment of compensation to Group Members in tranches. This was an extremely complex task and involved consideration of various deductions such as interim payments, repayments to Centrelink and the point at which the recovery percentage pro rata would be applied. During the consultation and development phase of this aspect of the Online Database, Maurice Blackburn consulted with the actuarial expert in order to ensure that the data being captured and the way this data was captured would allow them to develop their modelling and analysis for the purpose of clause 10.4 of the Scheme. The failure to capture and maintain accurate Group Member data presents a significant risk to the administration, so although the time spent on this aspect of the administration is significant, it is considered to be essential to ensure the efficient and accurate management of all Group Member data and therefore the administration of the Scheme as a whole. The benefit of this development has been evident when Maurice Blackburn was recently required to provide a complete data set to the actuarial experts. This was able to be done quickly and accurately without the need for any manual handling or manipulating of data which involves risk of error.

Other major aspects of this area work have included:

- a) Developing the ability for the Assessors to securely access the Online Database and complete their assessments directly into it;
- b) Developing the ability to track the progress of the Individual Assessments by Group Member; and
- c) Allowing secure access to all features of the Online Database to the four firms.

There were spikes in this area of work in October 2017 as the Administrators worked to finalise the Individual Assessment process and associated IT infrastructure, and in March 2018 as the Administrators made a concerted effort to complete the first 100 Individual Assessments in order to obtain actuarial advice.

The major aspects of the Online Database development and management have now been completed. It is expected that the time spent on this aspect of the administration will taper off for the remainder of the administration. There will be ongoing work associated with payments to Group Members and general support and troubleshooting but this is not expected to be at the same level as the time spent over the Relevant Period.

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with IT systems development and maintenance fell substantially in comparison to the 2018 Relevant Period, with a 74% reduction in average monthly costs.

As anticipated in the 2018 MB Administration Report, the time spent on this aspect of the administration tapered off significantly since mid-2018. The work undertaken in the 2019 Relevant Period was primarily related to the IT infrastructure for payments to Group Members as well as general support and troubleshooting. It is expected that the pattern of costs seen in the second half of 2018 will continue for the remainder of the administration, with relatively modest monthly fees including some periods where only minimal work needs to be done in this area.

## 18.00 Financial / accounting

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$2,436.50	1.60%	77.78%	22.22%
Mar-17	\$4,546.30	1.57%	49.25%	50.75%
Apr-17	\$4,478.10	2.44%	31.70%	68.30%
May-17	\$8,574.50	2.78%	18.70%	81.30%
Jun-17	\$11,944.90	4.26%	30.54%	69.46%
Jul-17	\$3,397.90	1.46%	23.08%	76.92%
Aug-17	\$7,658.20	3.33%	39.83%	60.17%
Sep-17	\$5,602.30	2.44%	23.08%	76.92%
Oct-17	\$5,284.40	2.29%	40.00%	60.00%
Nov-17	\$13,449.70	6.64%	73.81%	26.19%
Dec-17	\$2,877.60	2.02%	52.14%	47.86%
Jan-18	\$5,281.10	3.50%	60.89%	39.11%
Feb-18	\$4,296.60	2.21%	28.70%	71.30%
Mar-18	\$1,959.10	1.13%	29.63%	70.37%
<b>Total</b>	<b>\$81,787.20</b>	<b>-</b>	<b>39.92%</b>	<b>60.08%</b>
<b>% of Total Costs</b>	<b>2.72%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$1,588.40	8.66%	82.09%	17.91%
May-18	\$2,768.70	15.09%	54.55%	45.45%
Jun-18	\$5,897.10	32.14%	74.59%	25.41%
Jul-18	\$668.80	3.65%	61.22%	38.78%
Aug-18	\$1,482.80	8.08%	74.51%	25.49%
Sep-18	\$665.50	3.63%	18.18%	81.82%
Oct-18	\$719.40	3.92%	51.85%	48.15%
Nov-18	\$3,242.80	17.67%	100.00%	0.00%
Dec-18	\$0.00	0.00%	-	-
Jan-19	\$594.00	3.24%	100.00%	0.00%
Feb-19	\$720.50	3.93%	100.00%	0.00%
Mar-19	\$0.00	0.00%	100.00%	0.00%
<b>Total</b>	<b>\$18,348.00</b>	<b>100.00%</b>	<b>73.92%</b>	<b>26.08%</b>
<b>% of Total Costs</b>	<b>1.27%</b>			

## 2018 Relevant Period

*This area of the administration encompasses the processing of disbursement invoices and the overall management of the administration funds in accordance with clauses 10.2 and 10.3 of the Scheme.*

*In relation to processing disbursement invoices, once an invoice is received from a provider, a search is undertaken on Maurice Blackburn's database to ensure the invoice has not previously been received and paid. The invoice is saved on Maurice Blackburn's internal database and then sent to the Finance department for processing. The Finance department sends the invoice to a senior lawyer of Maurice Blackburn for approval. In some instances the senior member seeks further information before approving an invoice. Once the senior member approves the invoice, our Finance department process the payment. These steps undertaken by our senior lawyer are billed as 'no charge' or are not recorded against the file.*

*The second element of this area of work involves the overall management of the administration funds in accordance with clauses 10.2 and 10.3 of the Scheme. This includes working closely with Maurice Blackburn's Finance team to ensure the accounts are reconciled on a monthly basis.*

*Overall, these costs have remained fairly consistent over the Relevant Period especially in relation to the processing of disbursement invoices, however, there have been some spikes in these costs. In May 2017 there was an increase in the processing of disbursement invoices, reflected in the increased volume of medical records that were being requested and received for the purpose of eligibility determinations at that time. In June 2017 there was an increase in time spent on the file as a result of the initial reconciliation of the settlement transaction account and setting up a Tax File Number.*

*There was also an increase in November 2017 because a number of term deposits holding the settlement funds were expiring in December 2017. As such a proposal regarding the ongoing management of the settlement funds was prepared by senior members of Maurice Blackburn in collaboration with Shine, which included a forecast of the overall progress of the administration and a projection of when various amounts of money were likely to be needed in order to ensure the settlement sums were re-invested correctly and in such a way that the Administrators struck a balance between availability of funds and maximising interest earned on the settlement funds.*

*Time spent on managing financial and account matters will taper off due to the minimal number of disbursement invoices that will need processing on an ongoing basis, but the time spent may fluctuate as a result of managing the investment of the settlement funds.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with financial and accounting matters reduced 74% on an average monthly basis in comparison to the 2018 Relevant Period.

As anticipated in the 2018 MB Administration Report, the time spent on managing financial and accounting matters during the 2019 Relevant Period has fluctuated but overall has tapered off considerably. The Administrators expect that time spent on this aspect of the administration will continue at a low level for the remainder of the administration.

## 19.00 Payments

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$298.10	0.20%	100.00%	0.00%
Mar-17	\$13,013.00	4.49%	86.35%	13.65%
Apr-17	\$18,461.30	10.06%	78.86%	21.14%
May-17	\$23,329.90	7.56%	71.18%	28.82%
Jun-17	\$23,108.80	8.24%	37.10%	62.90%
Jul-17	\$18,401.90	7.92%	46.51%	53.49%
Aug-17	\$17,818.90	7.74%	33.99%	66.01%
Sep-17	\$15,858.70	6.92%	25.20%	74.80%
Oct-17	\$19,460.10	8.44%	21.08%	78.92%
Nov-17	\$17,960.80	8.87%	19.15%	80.85%
Dec-17	\$20,570.00	14.41%	26.26%	73.74%
Jan-18	\$27,772.80	18.40%	23.38%	76.62%
Feb-18	\$25,369.30	13.04%	22.94%	77.06%
Mar-18	\$11,451.00	6.59%	58.01%	41.99%
<b>Total</b>	<b>\$252,874.60</b>	<b>-</b>	<b>38.28%</b>	<b>61.72%</b>
<b>% of Total Costs</b>	<b>8.42%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$16,932.30	10.61%	43.94%	56.06%
May-18	\$15,950.00	10.00%	33.93%	66.07%
Jun-18	\$9,319.20	5.84%	41.71%	58.29%
Jul-18	\$22,413.60	14.05%	34.61%	65.39%
Aug-18	\$24,420.00	15.31%	34.90%	65.10%
Sep-18	\$18,102.70	11.35%	19.36%	80.64%
Oct-18	\$13,130.70	8.23%	26.74%	73.26%
Nov-18	\$10,679.90	6.69%	84.30%	15.70%
Dec-18	\$10,079.30	6.32%	99.38%	0.62%
Jan-19	\$2,494.80	1.56%	100.00%	0.00%
Feb-19	\$14,386.90	9.02%	70.90%	29.10%
Mar-19	\$1,615.90	1.01%	81.25%	18.75%
<b>Total</b>	<b>\$159,525.30</b>	<b>100.00%</b>	<b>42.61%</b>	<b>57.39%</b>
<b>% of Total Costs</b>	<b>11.06%</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2018 Relevant Period

*As per clause 8.7 of the Scheme, once a Fast Track Resolution claim has been finalised and all liens have been resolved, payment can be made to Group Members. Fast Track Resolution payments are made to Group Members on a monthly basis.*

*The work done in relation to preparing for these payments is that once the Respondents' solicitors, Norton Rose Fulbright Australia (NRFA) confirm the resolution of the liens (which is ordinarily done in batches on a monthly basis), the Group Members are added to a payment tracking spreadsheet and payment details are entered into the Online Database. Correspondence is then sent to Group Members requesting their bank account details, excluding estate claims that are paid by cheque.*

*Once all the payment details have been provided, a payment schedule is created which includes all Group Members to be paid for the month as well as details of residual liens to be paid. The schedule is reviewed to ensure all details are correct and any anomalies in the bank account details are identified and corrected.*

*Maurice Blackburn and Shine then exchange schedules so that each firm can review the other firm's schedule. Maurice Blackburn then adds the payment details for Shine's Group Members into the Online Database. Once the schedules are finalised they are sent to the Administrators for approval in accordance with clause 8.5 of the Settlement Protocol. Following approval, a final letter is sent to Group Members advising them of the resolution of their claim and their pending payment. The schedules are then processed by Maurice Blackburn's Finance team in order to effect payment, which in most instances occurs by means of electronic funds transfer.*

*Following the processing of the payments, if any payments fail due to a Group Member providing incorrect bank details, the errors are corrected so that payment can be made in the next monthly payment cycle. For successful payments, the Online Database is updated to reflect that payment was made and letters are sent to lienholders to advise them of the residual lien payment.*

*Finally, a consolidated monthly payment schedule is updated with all completed payments which is then provided to NRFA for confirmation.*

*In addition to the monthly payment cycles, at times there have been individual or smaller batch payments. For example, following the approval of interim payments at monthly committee meetings, interim payments are paid to Group Members as soon as possible given their current financial position. In addition to this, due to the delay in making payment to Group Members with residual liens payable to Medicare as a result of delays in reaching agreement with Medicare as to a resolution process, the Administrators agreed that these Group Members could be paid outside the normal monthly payment cycle.*

*As can be seen from the above table, costs are generally steady over the Relevant Period, but do slightly fluctuate. Generally the amount of work (and therefore costs) involved in processing payments is directly correlated with the number of payments to be processed in any given month, due to the additional work in relation to obtaining bank details, corresponding with Group Members, and reviewing schedules. Additionally, if there is any individual or smaller batch payments this will add to an increase in work undertaken.*

*In March 2018 there was a significant decrease in costs associated with payments. The reason for this is that the vast majority of Group Members who have elected Fast Track Resolution have now been paid.*

*Once the Administrators commence making payments to Group Members who have undergone Individual Assessment, the volume of work required may increase to some extent, especially in relation to the first batch of 100 Individual Assessment payments to be made and continuing until the end of 2018. Over time the work required for processing Individual Assessment payments is expected to decrease and remain steady.*

## **2019 Update**

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with payments reduced by 26% on an average monthly basis in comparison to the 2018 Relevant Period.

The nature of the work remained the same or similar to that set out in the 2018 MB Administration Report. As anticipated at the time of the 2018 MB Administration Report, the work required for processing payments decreased but remained steady. Average monthly costs of \$13,294 are not insignificant however the nature of the work associated with processing payments is that it is strongly correlated with the number of payments to be processed, and during the 2019 Relevant Period the Administrators have continued to process significant numbers of payments each month as more and more claims are finalised and become ripe for payment, albeit with some fluctuations from month to month.

The Administrators expect that costs will remain at the rate seen in November and December 2018 until the end of June 2019. There is likely to be an increase in work associated with payments in the second half of 2019 when a further tranche payment is made to individual assessment Group Members. Depending on whether this further tranche payment is the final payment, there may be another spike in costs if a further tranche payment is required at a later stage. Apart from any spike associated with the bulk tranche payments, it is anticipated the costs associated with processing payments will reduce commensurately with the ongoing reduction in the number of Group Members whose claims are outstanding.

**20.00 DBH / LAM****2018 Relevant Period**

	<b>Total Professional Fees (inc GST)</b>	<b>% of total monthly costs</b>	<b>Work by lawyers (hours (%))</b>	<b>Work by non-lawyers (hours (%))</b>
Feb-17	\$2,712.60	1.78%	100.00%	0.00%
Mar-17	\$1,851.30	0.64%	96.43%	3.57%
Apr-17	\$5,791.50	3.16%	80.21%	19.79%
May-17	\$4,156.90	1.35%	43.62%	56.38%
Jun-17	\$2,492.60	0.89%	70.18%	29.82%
Jul-17	\$3,250.50	1.40%	57.58%	42.42%
Aug-17	\$1,844.70	0.80%	65.79%	34.21%
Sep-17	\$1,790.80	0.78%	81.58%	18.42%
Oct-17	\$2,391.40	1.04%	95.45%	4.55%
Nov-17	\$12,134.10	5.99%	74.54%	25.46%
Dec-17	\$3,356.10	2.35%	96.61%	3.39%
Jan-18	\$2,332.00	1.55%	100.00%	0.00%
Feb-18	\$2,521.20	1.30%	80.36%	19.64%
Mar-18	\$1,344.20	0.77%	90.91%	9.09%
<b>Total</b>	<b>\$47,969.90</b>	<b>-</b>	<b>76.48%</b>	<b>23.52%</b>
<b>% of Total Costs</b>	<b>1.60%</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2019 Relevant Period**

	<b>Total Professional Fees (inc GST)</b>	<b>% of total monthly costs</b>	<b>Work by lawyers (hours (%))</b>	<b>Work by non-lawyers (hours (%))</b>
Apr-18	\$779.90	7.39%	100.00%	0.00%
May-18	\$1,266.10	11.99%	82.98%	17.02%
Jun-18	\$691.90	6.55%	100.00%	0.00%
Jul-18	\$968.00	9.17%	100.00%	0.00%
Aug-18	\$2,279.20	21.59%	84.09%	15.91%
Sep-18	\$315.70	2.99%	66.67%	33.33%
Oct-18	\$1,320.00	12.50%	100.00%	0.00%
Nov-18	\$1,192.40	11.29%	100.00%	0.00%
Dec-18	\$201.30	1.91%	100.00%	0.00%
Jan-19	\$415.80	3.94%	100.00%	0.00%
Feb-19	\$510.40	4.83%	88.89%	11.11%
Mar-19	\$617.10	5.84%	100.00%	0.00%
<b>Total</b>	<b>\$10,557.80</b>	<b>100.00%</b>	<b>92.44%</b>	<b>7.59%</b>
<b>% of Total Costs</b>	<b>0.73%</b>			



## 2018 Relevant Period

*This area of the administration encompasses Maurice Blackburn's role in overseeing and liaising with Duncan Basheer Hannon (DBH) and to a lesser extent liaising with Lempriere Abbott McLeod (LAM). The work undertaken in this area relates to tasks that do not fall within another specific category, for example, if DBH contacted Maurice Blackburn regarding a payment enquiry, this would generally fall under task code 19, above.*

*In relation to DBH, the main tasks undertaken by Maurice Blackburn have been training and providing guidance to DBH in relation to the various stages involved in processing claims under the Scheme, this has included providing training in person and via telephone conference, providing procedure manuals, responding to enquiries from DBH regarding specific aspects of the settlement, and reviewing work undertaken by DBH and providing feedback, for example, the preparation of an Eligibility Coversheet or an Individual Assessment questionnaire. Maurice Blackburn have also liaised with DBH in relation to monitoring the overall progress of claims to ensure all claims are progressing and general DBH Group Member enquiries.*

*At times, Maurice Blackburn has also communicated with LAM regarding various aspects of the administration, including the Individual Assessment processes, the provision of procedure manuals, general LAM Group Member enquiries, and accessing the Online Database.*

*Overall, the costs have remained fairly steady over the Relevant Period. From April 2017 to May 2017 there was an increase in the work performed. At this time, Maurice Blackburn was liaising with DBH to provide information and guidance in relation to various administration processes and procedures, including the eligibility and liens processes. There was another increase in November 2017 when Maurice Blackburn and Shine conducted training sessions with DBH and LAM in respect of the Individual Assessment process. During this period, senior members of Maurice Blackburn and Shine attended the offices of DBH and LAM to provide training on the Individual Assessment process, specifically in relation to the preparation of Claim Books and undertaking the questionnaire for Individual Assessment Group Members.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated overseeing and liaising with DBH and LAM has reduced by around three quarters in comparison to average monthly costs for the 2018 Relevant Period. During the 2019 Relevant Period average monthly costs were \$880, which equates to approximately two hours per month. This reduction is due to the bulk of the work associated with administration process and training being completed in the 2018 Relevant Period.

During the 2019 Relevant Period the work undertaken by Maurice Blackburn with DBH and LAM has been general in nature and included, responding to enquiries from DBH regarding specific aspects of the settlement, and reviewing work undertaken by DBH and providing feedback. Maurice Blackburn have also liaised with DBH in relation to monitoring the overall progress of claims to ensure all claims are progressing.

The Administrators expect that time spent with DBH and LAM will continue to fluctuate depending on the issues that arise but remain low.

In addition, the Administrators have ceased allocating new claims to DBH and LAM, so this area of settlement administration will ultimately reduce to zero during the latter half of the 2019 calendar year.

## 21.00 Shine General

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$1,993.20	1.31%	90.00%	10.00%
Mar-17	\$1,783.10	0.62%	100.00%	0.00%
Apr-17	\$1,623.60	0.88%	79.31%	20.69%
May-17	\$2,454.10	0.80%	100.00%	0.00%
Jun-17	\$2,647.70	0.94%	90.00%	10.00%
Jul-17	\$3,521.10	1.52%	90.32%	9.68%
Aug-17	\$1,241.90	0.54%	86.96%	13.04%
Sep-17	\$3,384.70	1.48%	100.00%	0.00%
Oct-17	\$14,422.10	6.25%	100.00%	0.00%
Nov-17	\$9,807.60	4.84%	100.00%	0.00%
Dec-17	\$2,336.40	1.64%	91.43%	8.57%
Jan-18	\$1,713.80	1.14%	96.43%	3.57%
Feb-18	\$2,742.30	1.41%	100.00%	0.00%
Mar-18	\$4,743.20	2.73%	100.00%	0.00%
<b>Total</b>	<b>\$ 54,414.80</b>		<b>96.89%</b>	<b>3.11%</b>
<b>% of Total Costs</b>	<b>1.81%</b>			

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$1,039.50	8.72%	94.12%	5.88%
May-18	\$1,470.70	12.34%	100.00%	0.00%
Jun-18	\$0.00	0.00%	-	-
Jul-18	\$4,209.70	35.32%	100.00%	0.00%
Aug-18	\$1,744.60	14.64%	100.00%	0.00%
Sep-18	\$1,977.80	16.59%	100.00%	0.00%
Oct-18	\$1,164.90	9.77%	100.00%	0.00%
Nov-18	\$0.00	0.00%	-	-
Dec-18	\$0.00	0.00%	-	-
Jan-19	\$67.10	0.56%	100.00%	0.00%
Feb-19	\$67.10	0.56%	100.00%	0.00%
Mar-19	\$178.20	1.50%	100.00%	0.00%
<b>Total</b>	<b>\$11,919.60</b>	<b>100.00%</b>	<b>99.44%</b>	<b>0.56%</b>
<b>% of Total Costs</b>	<b>0.83%</b>			

## 2018 Relevant Period

*The work recorded by the Administrators under this task code relates to dealings between Maurice Blackburn and Shine of a general nature that do not fall specifically within another task code. Alternatively, if for example there was a conference between the Administrators dealing with a multiple different issues, that time would be recorded under task code 21 rather than split among multiple task codes.*

*Over the Relevant Period Maurice Blackburn and Shine have worked closely together to ensure the efficiency and consistency of the administration. During the months of October 2017 and November 2017 there were weekly meetings between Maurice Blackburn and Shine to deal with the processes and precedents related to the Individual Assessments, dealings with third parties, estates and legal incapacity and work to be done by DBH and LAM.*

*In preparation for these meeting, either Maurice Blackburn or Shine would be responsible for preparing an agenda and then following the meeting, action items would be circulated identifying the work each member of Maurice Blackburn or Shine is responsible for.*

*Since January 2018 these meetings have been held on an ad hoc basis as required. It is expected that the time recoded under this task code will continue to vary from month to month depending on the stage of the administration and may spike at times for example towards the end of 2018 when the Administrators hope to be considering final payments to all Group Members who's claims have been assessed to that point.*

*From 2019 onwards it is expected that time recoded under this task code will taper off and then stabilise until the completion of the administration.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with general dealings with Shine reduced 76% in terms of average monthly costs in comparison to the 2018 Relevant Period. During the 2019 Relevant Period average monthly costs were \$993, which equates to approximately two hours per month.

The nature of the work has remained the same or similar to that set out in the 2018 MB Administration Report and as anticipated, the time spent has tapered off and then stabilised at a low level. The Administrators expect these costs to remain low during the time that Shine continues to perform the role of Administrator, and after Shine withdraws from its role this area of costs will reduce to zero most likely during the latter half of the 2019 calendar year or early 2020.

## 22.00 Explants

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$86.90	0.06%	0.28%	0.00%
Mar-17	\$963.60	0.33%	3.05%	0.00%
Apr-17	\$0.00	0.00%	0.00%	0.00%
May-17	\$0.00	0.00%	0.00%	0.00%
Jun-17	\$2,730.20	0.97%	8.65%	14.29%
Jul-17	\$6,450.40	2.78%	20.44%	41.78%
Aug-17	\$1,734.70	0.75%	5.50%	5.88%
Sep-17	\$1,446.50	0.63%	4.58%	20.69%
Oct-17	\$4,191.00	1.82%	13.28%	46.94%
Nov-17	\$6,644.00	3.28%	21.05%	55.41%
Dec-17	\$840.40	0.59%	2.66%	22.22%
Jan-18	\$3,449.60	2.29%	10.93%	3.08%
Feb-18	\$1,729.20	0.89%	5.48%	21.62%
Mar-18	\$1,296.90	0.75%	4.11%	41.38%
<b>Total</b>	<b>\$31,563.40</b>		<b>65.40%</b>	<b>34.60%</b>
<b>% of Total Costs</b>	<b>1.05%</b>			

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$2,629.00	11.39%	65.52%	34.48%
May-18	\$4,697.00	20.35%	53.89%	46.11%
Jun-18	\$3,476.00	15.06%	61.73%	38.27%
Jul-18	\$1,144.00	4.96%	42.86%	57.14%
Aug-18	\$2,618.00	11.34%	87.50%	12.50%
Sep-18	\$1,404.70	6.09%	2.56%	97.44%
Oct-18	\$1,813.90	7.86%	10.64%	89.36%
Nov-18	\$383.90	1.66%	10.00%	90.00%
Dec-18	\$70.40	0.30%	0.00%	100.00%
Jan-19	\$3,781.80	16.38%	74.65%	25.35%
Feb-19	\$958.10	4.15%	100.00%	0.00%
Mar-19	\$105.60	0.46%	0.00%	100.00%
<b>Total</b>	<b>\$23,082.40</b>	<b>100.00%</b>	<b>54.48%</b>	<b>45.52%</b>
<b>% of Total Costs</b>	<b>1.60%</b>			

## 2018 Relevant Period

*During the preparation for trial phase of the Proceeding, a number of explants were collected for the purpose of evidence. Since this time Maurice Blackburn has continued to store 92 explants and the Respondents have also retained 197 explants, of which 89 are from Maurice Blackburn's former clients or registrants and DBH continue to store 73 explants.*

*As was noted above in task code 04 of this report, during the course of the proceeding before settlement, both Maurice Blackburn and Shine each took steps to obtain some Group Members' explants because it was thought that the explants may be needed as evidence in an individual Group Member's claim in the class action (for example, in the settlement of the Casey v DePuy International Ltd class action (Federal Court of Australia proceeding ACD 10 of 2010) relating to a knee implant, the Group Member's explant constitutes important evidence in determining whether the Group Member is eligible to receive compensation). Following the settlement of the ASR Class Action, the Administrators decided that the explants should be retained until after eligibility had been determined for individual Group Members because it was possible (albeit unlikely) that the explant could be needed as evidence for eligibility determinations under clause 5 of the Scheme; for example, an analysis of the explant by a metrology or other expert could provide evidence about whether a revision would have been needed regardless of an infection under clause 5.3 of the Scheme.*

*The time spent by the Administrators associated with explants includes determining the process for managing the destruction or retention of explants, correspondence with Group Members and other individuals relating to their explants, communication with NRFA including an agreement on a process to destroy explants or return the explants to Group Members. Maurice Blackburn also reached an agreement with Professor William Walsh at UNSW for the destruction of explants or if necessary the sterilisation of explants, bearing in mind that the explants are often stored in hazardous chemicals and may contain biological matter such as bone or human tissue.*

*Once the Group Member's claim has been resolved and/or payment finalised, the Administrators arrange for the explant to be destroyed or delivered to those Group Members who wish to retain their explant.*

*It is expected that costs associated with explants will remain steady for the remainder of 2018 and then taper off significantly from 2019 until the conclusion of the administration.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with explants reduced by around one quarter in comparison to the 2018 Relevant Period.

The nature of the work associated with explants remained the same or similar to that set out in the 2018 MB Administration Report. One slight amendment in process from the 2018 MB Administration Report, was that the Administrator's formed the view that the process of arranging for the explant to be destroyed or delivered to those Group Members who wish to retain their explant would happen all at once, instead of individually, once all Group Members in this cohort have received their compensation and been sent correspondence regarding their explant.

Of the explants currently being held by Maurice Blackburn, DBH and Johnson & Johnson, at present, there are:

- a) 11 Group Members who have indicated they would like to retain their explant;
- b) 238 Group Members who will have their explant destroyed; and
- c) 18 Group Members we have not corresponded with as their claim is still ongoing

Once the remaining 18 Group Members' claims have been resolved and we have communicated with them regarding their explant, we will arrange for the destruction of explants or if necessary the sterilisation of explants to be delivered to the Group Members.

The Administrator's continue to liaise with Norton Rose Fulbright Australia regarding the explants retained by Johnson & Johnson.

It is anticipated that there may be an increase in costs at the time when we are making the arrangements to have the explants destroyed or delivered to those Group Members who wish to retain their explant and that after this time, it is anticipated that costs associated with explants will taper off.

## 23.00 Estates

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$7,805.60	5.12%	80.38%	19.62%
Mar-17	\$5,797.00	2.00%	98.20%	1.80%
Apr-17	\$1,928.30	1.05%	69.77%	30.23%
May-17	\$11,866.80	3.85%	42.27%	57.73%
Jun-17	\$14,867.60	5.30%	87.22%	12.78%
Jul-17	\$8,300.60	3.57%	94.71%	5.29%
Aug-17	\$17,156.70	7.45%	95.31%	4.69%
Sep-17	\$19,003.60	8.29%	86.33%	13.67%
Oct-17	\$14,232.90	6.17%	89.82%	10.18%
Nov-17	\$11,327.80	5.59%	85.65%	14.35%
Dec-17	\$5,417.50	3.80%	95.50%	4.50%
Jan-18	\$1,815.00	1.20%	79.49%	20.51%
Feb-18	\$3,341.80	1.72%	73.17%	26.83%
Mar-18	\$2,655.40	1.53%	94.55%	5.45%
<b>Total</b>	<b>\$125,516.60</b>	<b>-</b>	<b>83.50%</b>	<b>16.50%</b>
<b>% of Total Costs</b>	<b>4.18%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$5,309.70	21.67%	70.49%	29.51%
May-18	\$2,571.80	10.50%	93.06%	6.94%
Jun-18	\$4,332.90	17.68%	95.92%	4.08%
Jul-18	\$2,211.00	9.02%	100.00%	0.00%
Aug-18	\$5,943.30	24.26%	73.58%	26.42%
Sep-18	\$1,744.60	7.12%	21.15%	78.85%
Oct-18	\$176.00	0.72%	0.00%	100.00%
Nov-18	\$0.00	0.00%	-	-
Dec-18	\$458.70	1.87%	90.00%	10.00%
Jan-19	\$720.50	2.94%	100.00%	0.00%
Feb-19	\$545.60	2.23%	80.00%	20.00%
Mar-19	\$488.40	1.99%	50.00%	50.00%
<b>Total</b>	<b>\$24,502.50</b>	<b>100.00%</b>	<b>76.38%</b>	<b>23.62%</b>
<b>% of Total Costs</b>	<b>1.70%</b>			

## 2018 Relevant Period

*Maurice Blackburn and DBH currently have 56 registered claims made on behalf of deceased estates. In view of the clarification provided by Mr Sheahan QC at the settlement approval hearing on 24 June 2016 (see T53.7-16), these claims are classified as either deceased pre-registration or deceased post-registration.*

*The work undertaken by the Administrators in relation to managing estate claims is complex and time consuming and this is compounded by the fact that the representative of the estate is often elderly and/or dealing with the loss of a loved one.*

*Broadly, the work undertaken by the Administrators in relation to estate claims has involved communicating with the individual who is representing the claim on behalf of the estate, obtaining certified documents such as the death certificate, Will and Grant of Probate. Certified copies of these documents are required to manage the risk associated with the Administrators inadvertently dealing with someone who does not have authority to act on behalf of the estate or in circumstances where there may be a disputed will.*

*A significant amount of time has been taken up with managing those estate claims where a grant of probate had not yet been made. The Administrators made the decision that no claim should be resolved and paid in the absence of a Grant of Probate due to the risks to the Scheme associated with a challenge to the estate. The Administrators have noticed a general lack of understanding on behalf of those representing estates of the need for the Grant of Probate to be obtained before the claim could be processed and finalised. This resulted in significant time having to be spent by Maurice Blackburn explaining and assisting these individuals to progress the claims and obtain and provide the required documents.*

*In the months of August 2017 to November 2017 there was an increase in the time spent by Maurice Blackburn due in part to time spent in determining the processes and precedents and in part due to particularly difficult and time consuming dealings with the representatives of certain estates. In particular the Committee had to determine whether a claim on behalf of an estate should be classified as pre- or post-registration in circumstances where the individual had tried unsuccessfully to register their claim before their death but ultimately the claim was not in fact registered until after they had passed away.*

*It is expected that the time spent by the Administrators will continue to stabilise as it has in the months of February and March 2018 and will continue to taper off for the remainder of the administration.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with estates reduced by more than 75% on an average monthly basis in comparison the 2018 Relevant Period.

The nature of the work remained the same or similar to that set out in the 2018 MB Administration Report. As anticipated, time spent by the Administrators stabilised throughout the 2018 calendar year before tapering off since the beginning of 2019.

The reduction in work and costs in this area during the 2019 Relevant Period was primarily driven by the constantly declining number of extant claims by estates of deceased group members. For this reason, the Administrators anticipate that costs associated with estates will remain stable at a modest level for the remainder of the administration.



## 24.00 Legal Incapacity

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$751.30	0.49%	93.33%	6.67%
Mar-17	\$3,590.40	1.24%	80.56%	19.44%
Apr-17	\$594.00	0.32%	33.33%	66.67%
May-17	\$8,627.30	2.80%	83.24%	16.76%
Jun-17	\$15,030.40	5.36%	91.46%	8.54%
Jul-17	\$10,863.60	4.68%	94.64%	5.36%
Aug-17	\$11,316.80	4.92%	95.22%	4.78%
Sep-17	\$17,391.00	7.58%	93.75%	6.25%
Oct-17	\$17,391.00	7.54%	92.90%	7.10%
Nov-17	\$19,716.40	9.73%	91.12%	8.88%
Dec-17	\$7,400.80	5.19%	87.18%	12.82%
Jan-18	\$2,220.90	1.47%	79.17%	20.83%
Feb-18	\$7,731.90	3.98%	96.69%	3.31%
Mar-18	\$11,598.40	6.68%	98.63%	1.37%
<b>Total</b>	<b>\$134,224.20</b>	<b>-</b>	<b>91.74%</b>	<b>8.26%</b>
<b>% of Total Costs</b>	<b>4.47%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$14,190.00	11.00%	98.31%	1.69%
May-18	\$34,683.00	26.88%	84.20%	15.80%
Jun-18	\$28,827.70	22.34%	94.89%	5.11%
Jul-18	\$14,051.40	10.89%	98.92%	1.08%
Aug-18	\$22,020.90	17.07%	89.24%	10.76%
Sep-18	\$2,904.00	2.25%	71.43%	28.57%
Oct-18	\$5,922.40	4.59%	91.76%	8.24%
Nov-18	\$942.70	0.73%	86.67%	13.33%
Dec-18	\$0.00	0.00%	-	-
Jan-19	\$1,910.70	1.48%	100.00%	0.00%
Feb-19	\$2,237.40	1.73%	77.27%	22.73%
Mar-19	\$1,329.90	1.03%	100.00%	0.00%
<b>Total</b>	<b>\$129,020.10</b>	<b>100.00%</b>	<b>90.68%</b>	<b>9.32%</b>
<b>% of Total Costs</b>	<b>8.94%</b>			

## 2018 Relevant Period

*Maurice Blackburn and DBH currently have 24 claims by Group Members who are under a legal incapacity. Clause 12 of the Scheme requires the resolution of claims for those Group Members under a legal incapacity be approved by the Court, pursuant to rules 7.11 or 9.70 of the Federal Court Rules 2011.*

*The Administrators have worked together to develop the processes for managing these claims. The process and precedent documents developed are lengthy due to the multiple steps to be taken and the supporting documents required. It was determined by the Committee that approval by the Court would be required for both Fast Track Resolution elections and claims being individually assessed.*

*As with claims made on behalf of estates, the management of claims registered on behalf of Group Members under a legal incapacity can be complex and time consuming. The Administrators are required to take steps to firstly ensure there is medical evidence that confirms the Group Member (in)capacity and secondly that it is established who has authority to instruct the Administrators on behalf of the Group Member. This work includes communication with the Group Member and their contact person and their doctors, obtaining supporting documents such as medical reports, Enduring Power of Attorney documents or Orders appointing a financial administrator or providing information and instructions as to the steps to be taken and documents to be provided to the Administrators. Each of these steps can include multiple conversations between the Administrators and the contact person or doctor and multiple pieces of correspondence confirming the requirements and following up. Maurice Blackburn has four Group Members who lack capacity but do not have an Enduring Power of Attorney in place or Orders appointing a financial administrator. Managing these claims has involved assisting the contact person to undertake the necessary steps to obtain an Administration Order from the relevant State tribunal.*

*Once the issues of capacity and authority to act have been resolved, the Administrators take the necessary steps to process the Group Member's claim in accordance with the Scheme and Settlement Protocol.*

*In the months of June 2017 to November 2017 the Administrators spent a significant amount of time managing the initial stages of claims on behalf of Group Members under a legal incapacity as outlined above. Other than new registrations on behalf of Group Members with a legal incapacity, the Administrators have undertaken the bulk of this work.*

*Time spent by the Administrators in the month of March 2018 related to instructing Mr Baker on the process and expectations of providing independent advice for the approval process and developing the approval precedent documents.*

*Until the end of 2018, the Administrators expect that there will continue to be significant work involved in preparing claims for approval. These costs will then taper off from 2019 until the end of the administration.*

*The Administrators had hoped that approval would be able to be sought for these Group Members at the upcoming case management conference, however the Administrators were not able to obtain the supporting evidence needed for these approvals by the Court. The Administrators propose to seek these approvals at a separate time within the coming months.*

**2019 Update**

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with claims by Group Members under a legal incapacity increased marginally on an average monthly basis in comparison to the 2018 Relevant Period.

The marginal increase in average monthly costs was primarily driven by a period of intensive work that was ongoing until August 2018, during which time the Administrators continued to deal with legal and administrative issues associated with these types of claims.

Work in this area culminates in the preparation of an application for approval of the resolution of claims under clause 12 of the Scheme, noting that work associated with the preparation of these types of applications is recorded under task code 16. To date, 14 claims by Group Members under a legal incapacity have been approved by Court order, the Administrators are preparing an Interlocutory Application for a further three claims, and the remaining one claim is progressing through the individual assessment process.

Since August 2018 there has been a substantial reduction in average monthly costs in this area of administration work. The administrators expect this pattern to continue for the remainder of the administration and as the pool of Group Members with extant claims continues to reduce, so too this area of work will reduce and become only occasional.

## 25.00 Other third party dealings [NRFA, Medicare etc.]

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$6,606.60	4.34%	98.86%	1.14%
Mar-17	\$8,433.70	2.91%	99.23%	0.77%
Apr-17	\$1,509.20	0.82%	91.67%	8.33%
May-17	\$3,383.60	1.10%	100.00%	0.00%
Jun-17	\$3,320.90	1.18%	97.96%	2.04%
Jul-17	\$10,005.60	4.31%	89.19%	10.81%
Aug-17	\$7,940.90	3.45%	95.87%	4.13%
Sep-17	\$4,635.40	2.02%	80.77%	19.23%
Oct-17	\$3,702.60	1.60%	69.70%	30.30%
Nov-17	\$3,892.90	1.92%	50.63%	49.37%
Dec-17	\$2,305.60	1.62%	89.74%	10.26%
Jan-18	\$6,305.20	4.18%	95.00%	5.00%
Feb-18	\$6,455.90	3.32%	98.10%	1.90%
Mar-18	\$9,204.80	5.30%	95.10%	4.90%
<b>Total</b>	<b>\$77,702.90</b>	<b>-</b>	<b>90.38%</b>	<b>9.62%</b>
<b>% of Total Costs</b>	<b>2.59%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$2,888.60	9.39%	45.76%	54.24%
May-18	\$5,967.50	19.39%	51.94%	48.06%
Jun-18	\$2,949.10	9.58%	41.94%	58.06%
Jul-18	\$3,583.80	11.64%	43.90%	56.10%
Aug-18	\$3,385.80	11.00%	100.00%	0.00%
Sep-18	\$2,897.40	9.41%	89.13%	10.87%
Oct-18	\$668.80	2.17%	100.00%	0.00%
Nov-18	\$35.20	0.11%	0.00%	100.00%
Dec-18	\$356.40	1.16%	100.00%	0.00%
Jan-19	\$1,670.90	5.43%	52.94%	47.06%
Feb-19	\$5,102.90	16.58%	57.14%	42.86%
Mar-19	\$1,270.50	4.13%	77.27%	22.73%
<b>Total</b>	<b>\$30,776.90</b>	<b>100.00%</b>	<b>59.74%</b>	<b>40.26%</b>
<b>% of Total Costs</b>	<b>2.13%</b>			

## 2018 Relevant Period

*Since February 2017, the Administrators have liaised with multiple third parties to assist in the processing of claims. These third parties include Centrelink, Medicare, NRFA, various private health insurers, the Australian Taxation Office, the Department of Human Services and high-volume medical practices.*

*The work and costs involved in liaising with third parties has varied over time. In February and March 2017, Maurice Blackburn began engaging with Medibank Private regarding the process for reimbursements of liens and member referrals. During this period Maurice Blackburn also liaised with the Australian Taxation Office in relation to the process of obtaining taxation records for Individual Assessment Group Members as well as Centrelink in relation to reporting obligations regarding Group Members who have received an interim payment.*

*There was another increase in dealings with third parties in July and August 2017. During this period, there was an increase in correspondence with Medibank Private in relation to the process of Medibank referring members with ASR implants to the Administrators, as well as Maurice Blackburn managing and processing the referrals. During this period there was also an increase in communication with the Department of Human Services regarding repayments to Veteran Affairs Group Members and high-volume medical practices regarding processes for making high volume medical record requests.*

*Negotiations also began with Medicare in relation to a bulk payment agreement for reimbursement of liens for Group Members with residual liens (that fell outside the existing bulk payment agreement) during this period and continued to February 2018.*

*In January to March 2018, as well as the bulk payment agreement negotiations with Medicare, including liaising with NRFA, there were communications with Centrelink regarding Individual Assessment reporting obligations and obtaining Centrelink interest notices for Individual Assessment Group Members. Maurice Blackburn also engaged with various private health insurers regarding member entitlements to coverage of future medical expenses.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs associated with third party dealings reduced by more than half on an average monthly basis in comparison to the 2018 Relevant Period.

The nature of the work has remained the same or similar to that set out in the 2018 MB Administration Report.

The majority of time recoded under this task code during the 2019 Relevant Period related to dealings with private health insurers and Centrelink and occasionally also with Norton Rose Fulbright Australia.

The Administrators anticipate that time spent dealing with third parties will remain at a modest level for the remainder of the administration.

## 26.00 Other

### 2018 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Feb-17	\$12,421.20	8.16%	63.36%	36.64%
Mar-17	\$30,070.70	10.37%	72.24%	27.76%
Apr-17	\$20,617.30	11.24%	71.31%	28.69%
May-17	\$25,231.80	8.18%	53.52%	46.48%
Jun-17	\$11,674.30	4.16%	41.03%	58.97%
Jul-17	\$16,684.80	7.18%	66.10%	33.90%
Aug-17	\$17,848.60	7.75%	67.89%	32.11%
Sep-17	\$15,868.60	6.92%	79.97%	20.03%
Oct-17	\$12,012.00	5.21%	76.22%	23.78%
Nov-17	\$10,689.80	5.28%	36.56%	63.44%
Dec-17	\$6,653.90	4.66%	30.04%	69.96%
Jan-18	\$11,337.70	7.51%	94.15%	5.85%
Feb-18	\$19,807.70	10.18%	73.12%	26.88%
Mar-18	\$13,974.40	8.05%	77.84%	22.16%
<b>Total</b>	<b>\$224,892.80</b>	<b>-</b>	<b>63.27%</b>	<b>36.73%</b>
<b>% of Total Costs</b>	<b>7.49%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2019 Relevant Period

	Total Professional Fees (inc GST)	% of total monthly costs	Work by lawyers (hours (%))	Work by non-lawyers (hours (%))
Apr-18	\$14,567.30	15.19%	70.47%	29.53%
May-18	\$8,778.00	9.15%	73.84%	26.16%
Jun-18	\$7,276.50	7.59%	87.27%	12.73%
Jul-18	\$7,788.00	8.12%	87.01%	12.99%
Aug-18	\$7,755.00	8.08%	95.77%	4.23%
Sep-18	\$5,799.20	6.05%	68.92%	31.08%
Oct-18	\$11,202.40	11.68%	41.03%	58.97%
Nov-18	\$6,850.80	7.14%	61.65%	38.35%
Dec-18	\$6,915.70	7.21%	77.39%	22.61%
Jan-19	\$7,088.40	7.39%	84.07%	15.93%
Feb-19	\$6,617.60	6.90%	95.50%	4.50%
Mar-19	\$5,286.60	5.51%	82.49%	17.51%
<b>Total</b>	<b>\$95,925.50</b>	<b>100.00%</b>	<b>75.90%</b>	<b>24.10%</b>
<b>% of Total Costs</b>	<b>6.65%</b>			



## 2018 Relevant Period

*In broad terms, this area of the administration covers work performed that does not fall within one of the other categories or incorporates a number of different tasks into the one category so that it cannot be attributed to one task.*

*The nature of the administration requires that Maurice Blackburn manage and regularly update a master task list to monitor and track the progress of the various stages of the administration. This also includes a weekly meeting within Maurice Blackburn to discuss the progress of the settlement as a whole, implement key milestone targets, identify any hurdles, set priorities and discuss various issues in relation to the administration.*

*To this extent, there are also regular internal meetings with senior members of Maurice Blackburn to discuss various aspects of the administration, including interpreting aspects of the Scheme, seeking guidance regarding complex matters, discussing workflow and priorities, analysing statistics, discussing issues arising in the processing of claims and amendments to existing procedures.*

*Additional work undertaken in this category related to time spent establishing key milestones and projection targets, reviewing and actioning emails in relation to the overall administration progress and issues, and reviewing and analysing key administration documents.*

*There has also been work undertaken in relation to researching complex matters of the Scheme to determine the implications on Group Members claims, including cross-over claims with Workers Compensation and the National Disability Insurance Scheme.*

*Almost half (47.2%) of the work done under this category is not claimed as Administration Costs; in other words, no charge is applied to the time recorded. This "no charge" work included reviewing and amending Maurice Blackburn's monthly invoices for Administration Costs, providing feedback to team members regarding billing and amending invoices to add task codes, reviewing Shine and DBH invoices for Administration Costs, drafting and continually updating the billing protocol, internal conferences regarding the overall Scheme, paralegal training for specific aspects of the settlement, resourcing and task allocation, creating, managing, auditing and storage of files.*

*In February 2017 to May 2017 there was an increase in the amount of costs incurred, whereas there was a decline from June 2017 to January 2018, with a slight peak in February 2018 before another decline in March 2018. During the initial period, Maurice Blackburn worked intensively in order to ensure the administration was progressing as initially anticipated and processes were established accordingly which required regular internal meetings regarding these aspects of the settlement. Due to the initial work done, from June 2017 to January 2018, there was a lower volume of work required regarding establishment of procedures and instead during this period the majority of work related to monitoring the progress of the settlement. In February 2018 there was a slight peak which relates to the research undertaking in relation to the implications of the Workers Compensation cross-over issues as well as an increase in internal conferences in relation to analysing statistics and the overall progress of the administration.*

## 2019 Update

For the 2019 Relevant Period, Maurice Blackburn's work and costs under task code 26 reduced by half on an average monthly basis in comparison to the 2018 Relevant Period.

The nature of the work has remained the same or similar to that set out in the 2018 MB Administration Report. The Administrators anticipate that the work recorded under this task code will fluctuate for the remainder of the administration but on the whole will taper off.

As with the 2018 Relevant Period, there was a large amount of work done by Maurice Blackburn for which payment is not sought. During the 2019 Relevant Period 51.3% of the work was not charged.