

## Senate Standing Committee on Education and Employment

### QUESTIONS ON NOTICE Additional Estimates 2015 - 2016

#### Outcome 2 - Workplace Relations and Economic Strategy

Department of Employment Question No. EMSQ16-000265

Senator McKenzie provided in writing.

#### Question

##### **Fair Entitlements Guarantee - Bruck Entitlements - available FEG funds**

If the directors of Bruck and Australian Textile Mills were to enter into similar arrangements in relation to another group of corporate entities, leaving unpaid employee entitlements, would FEG funds still be available in that scenario?

#### Answer

The FEG scheme is a scheme of last resort for the benefit of employees. There is no discretion under the *Fair Entitlements Guarantee Act 2012* for the Department to withhold an advance of employee entitlements in the circumstances outlined in the question.

The exclusions from eligibility are set out in Subdivision 1B of Part 2 of the FEG Act.

Through the Fair Entitlements Guarantee Recovery Programme, the Department can fund liquidators to commence actions against companies and their directors to recover money or seek compensation for loss caused by voidable transactions, insolvent trading or breach of directors' duties. Money recovered from these funded actions goes back to the insolvent company to be distributed to creditors, including the Department.