

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2006-2007 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING
2ND NOVEMBER 2006
EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

QUESTIONS ON NOTICE

Outcome 2: Higher productivity, higher pay workplaces

Output Group 2.2: Workplace relations implementation

Output 2.2.3: Workplace relations services

Question Number: W747-07

Question:

Senator Wong asked in writing: The Budget announcement increased funding for GEERS significantly — from \$50 million in 2005–06 to \$85.5 million in 2006–07. Given the circumstances in which GEERS eligibility have been narrowed, why the increase? Is the increase due to low recovery rates, or other factors? If so, what are the other factors?

Answer:

GEERS eligibility has not been narrowed. In November 2005 a number of enhancements were introduced to GEERS. GEERS now includes:

- assistance for underpaid wages in the three month period prior to the date of employer insolvency;
- coverage for employees who resign or whose employment is terminated up to six months prior to the date of their employer's insolvency;
- assistance that recognises a claimant's entitlement to notice of termination under their terms of employment. This provides a fairer approach for individuals in relation to notice provisions; and
- assistance for previously ineligible claimants by aligning the definition of 'excluded employee' under GEERS with the relevant definition under the *Corporations Act 2001*.

The increase to GEERS funding reflects these enhancements, being an estimate of the increase in the number of eligible employees and an increase in their GEERS entitlements.

Estimated cost: Based on the FOI calculator it has taken approximately 3 hours at an estimated cost of \$60 to prepare this answer.