

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2010-2011**

Outcome 5 - Workplace Relations

DEEWR Question No.EW0609_11

Senator Williams asked on 20/10/2010, Hansard page 114.

Question

GEERS - ALLCO FINANCE GROUP

Senator WILLIAMS—Thank you for that. You would not be familiar with a company called Allco Finance Group? To give you a broad outline, this company fell over. It had 50 staff. The company is in liquidation. Ferrier Hodgson are the liquidators. Those 50 staff have not received any entitlements because the liquidators, Ferrier Hodgson, have gone to the court to say that they were employed by a sub-company, an offspring of Allco Finance Group. It is quite frustrating because, I think, there is a total of \$4.2 million to 5 million owing. My concern is that that \$5 million will be nearly taken up in legal fees by the time this dispute is settled. Can there be a situation where these 50 employees can receive their GEERS if Ferrier Hodgson does not win the case to say that they were not employed by the company? If the judge rules that they were employed by Allco Finance Group, could they then repay the GEERS at a later date? I know many of them are very desperate and now it has all been pulled up in the court. That is the situation. It is on ice. They cannot get any entitlements from the company because the liquidator has gone to the court, saying these people are actually employed by another offshoot of Allco. They are in a situation where they are not getting any of their entitlements—long service leave, holiday pay etc.

Mr Kovacic—I think it might be best if we took that question on notice, because we are not aware of Allco. If there is any information that you can provide to us about the arrangements that you mentioned, that certainly would assist us in framing our response.

Senator WILLIAMS—I will give you these two letters I have. They have some information on them. One is from Ms Christine Bowen, who has written to the Australian government's Department of Education, Employment and Workplace Relations. I will give you these letters if you like; they might be able to help you follow up. There are 50 people out there and they have not received a red cent because of hold-ups in court. They are jammed between a rock and a hard place.

Mr Kovacic—Certainly we will look at it.

Senator WILLIAMS—Thank you.

Answer

The Department of Education, Employment and Workplace Relations understands that the corporate structure of Allco Finance Group is complex and there have been issues associated with determining the identity of the employing entity.

The Department understands that on 28 October 2010, the Federal Court ruled that the 50 former employees were employed by the parent company, Allco Finance Group Limited (AFGL).

Ferrier Hodgson has advised the Department that AFGL holds the majority of the Group's assets and may have sufficient funds to cover all outstanding employee entitlements. The Department will continue to liaise with Ferrier Hodgson concerning this matter to ensure employees receive their outstanding employee entitlements from AFGL.