

## **Australian Government's response to the COVID-19 pandemic**

### **Attorney-General's Department**

**Question date:** 7 August 2020

**Question type:** Written

#### **Katy Gallagher asked the following question:**

1. Has any analysis been undertaken on the future demand on the Fair Entitlements Guarantee (FEG) over the forward estimates?
  - a. Has this increased due to the COVID-19 crisis?
  - b. Can this be provided to the Committee?
2. Has any analysis been undertaken on the impact of any future increase in Deed of Company Arrangements on the FEG?
3. Please provide the peak and average historical demand on the FEG over the past five or 10 years and broken down by:
  - a. ABS definition of business size
  - b. Industry classification.

#### **The response to the honourable Katy Gallagher question is as follows:**

1. Yes.
  - a. Yes.
  - b. A range of possible scenarios have been examined. Given the uncertainty created by the COVID-19 crisis for businesses, employees and the economy, no one scenario is definitive.
2. No. A business entering into a Deed of Company Arrangement does not enliven eligibility for FEG. FEG may become payable in the event of a liquidator being appointed to an employer.

<b>Table 1. Peak demand over last five years by</b>		
	<b>FEG<sup>1</sup></b>	
<b>Business size</b>	No. claimants	Year
Large Business	2306	2016
Medium Business	9956	2015
Small Business	6000	2015

<b>Table 2. Peak demand over last 10 years</b>		
	<b>FEG</b>	
<b>Business Size</b>	No. claimants	Year
Large Business	3607	2014
Medium Business	9956	2015
Small Business	6000	2015

<b>Table 3. Five year average claim numbers by size of business</b>	
<b>Business Size</b>	<b>FEG</b>
Large Business	1863
Medium Business	6986
Small Business	4091

<b>Table 4. 10 year average claim number by size of business</b>	
<b>Business Size</b>	<b>FEG</b>
Large Business	1490
Medium Business	4549
Small Business	2477

**b. Industry classification**

<b>Table 5. Peak demand over last five years by industry</b>		
	<b>FEG</b>	
<b>Industry</b>	<b>No. claimants</b>	<b>Year</b>
Accommodation and Food Services	1311	2019
Administrative and Support Services	1291	2017
Agriculture, Forestry and Fishing	162	2016
Arts and Recreation Services	148	2015
Construction	3616	2015
Education and Training	969	2017
Electricity, Gas, Water and Waste Services	362	2015
Financial and Insurance Services	259	2016
Health Care and Social Assistance	394	2016
Information Media and Telecommunications	616	2015

<sup>1</sup> Claims under the Fair Entitlement Guarantee scheme.

Manufacturing	3177	2015
Mining	1554	2016
Other Services	1653	2015
Professional, Scientific and Technical Services	710	2015
Public Administration and Safety	64	2019
Rental, Hiring and Real Estate Services	456	2016
Retail Trade	2443	2015
Transport, Postal and Warehousing	1112	2015
Wholesale Trade	494	2015

**Table 6. Peak demand over last 10 years by industry**

	FEG	
Industry	No. claimants	Year
Accommodation and Food Services	1311	2019
Administrative and Support Services	1291	2017
Agriculture, Forestry and Fishing	162	2016
Arts and Recreation Services	148	2015
Construction	3616	2015
Education and Training	969	2017
Electricity, Gas, Water and Waste Services	920	2014
Financial and Insurance Services	259	2016
Health Care and Social Assistance	394	2016
Information Media and Telecommunications	798	2013
Manufacturing	3177	2015
Mining	1721	2014
Other Services	2626	2014
Professional, Scientific and Technical Services	710	2015
Public Administration and Safety	64	2019
Rental, Hiring and Real Estate Services	456	2016
Retail Trade	2443	2015
Transport, Postal and Warehousing	1112	2015
Wholesale Trade	494	2015

**Table 7. Five year average number of claimants by industry**

Industry	FEG
Accommodation and Food Services	915
Administrative and Support Services	575
Agriculture, Forestry and Fishing	93
Arts and Recreation Services	91
Construction	2813
Education and Training	584
Electricity, Gas, Water and Waste Services	228
Financial and Insurance Services	120
Health Care and Social Assistance	357
Information Media and Telecommunications	416

Manufacturing	1903
Mining	747
Other Services	887
Professional, Scientific and Technical Services	474
Public Administration and Safety	47
Rental, Hiring and Real Estate Services	195
Retail Trade	1468
Transport, Postal and Warehousing	799
Wholesale Trade	229

<b>Table 8. 10 year average number of claimants by industry</b>	
<b>Industry</b>	<b>FEG</b>
Accommodation and Food Services	474
Administrative and Support Services	345
Agriculture, Forestry and Fishing	55
Arts and Recreation Services	50
Construction	1568
Education and Training	286
Electricity, Gas, Water and Waste Services	195
Financial and Insurance Services	76
Health Care and Social Assistance	184
Information Media and Telecommunications	294
Manufacturing	1205
Mining	500
Other Services	697
Professional, Scientific and Technical Services	276
Public Administration and Safety	22
Rental, Hiring and Real Estate Services	101
Retail Trade	829
Transport, Postal and Warehousing	449
Wholesale Trade	136