

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. EMSQ16-000241

Senator McKenzie provided in writing.

Question

Fair Entitlements Guarantee - restructuring to remove assets

Under the FEG scheme, are FEG payments required to be made if there is evidence that restructuring or transactions have occurred which remove assets from a particular company and thus reduce that company's ability to pay employee entitlements?

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* (FEG Act) for the Department to withhold an advance of employee entitlements where there is evidence of transactions that have been entered into to avoid paying employee entitlements.

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