

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. EMSQ16-000243

Senator McKenzie provided in writing.

Question

Fair Entitlements Guarantee - payments from Directors

Does the Department have any recourse to recover FEG payments from the directors themselves or from the entities that assets were transferred to before the winding up of the company?

How does that process work?

Answer

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.