

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Outcome 2 - Workplace Relations and Economic Strategy

Department of Employment Question No. EMSQ17-004337

Senator Cameron provided in writing.

Question

Careers Australia - Fair Entitlement Guarantee

Have all workers entitlements been met following the Careers Australia collapse? Has or will the Fair Entitlements Guarantee be used? In how many cases and at what costs?

Answer

The Fair Entitlement Guarantee (FEG) is a scheme of last resort that only becomes available where the employer is in liquidation or bankruptcy and has insufficient funds to meet employee entitlements.

Careers Australia Group (CAG) was placed into voluntary administration on 25 May 2017 with the majority of staff being stood down or made redundant. The Administrators anticipate CAG being placed into liquidation at a creditors' meeting on 30 June 2017.

The Administrators are still completing their assessment of entitlement amounts owing to employees. The Administrators advised the Department of Employment that, subject to liquidation on 30 June 2017, around 940 redundant employees of CAG will seek FEG assistance for an estimated \$16.4 million in unpaid employee entitlements.