

6 March 2025

INITIAL CIRCULAR TO EMPLOYEES

Dear Sir/Madam

**Brindabella Christian Education Limited
(Administrators Appointed)
ACN 100 229 669
Trading As Brindabella Christian College
(the "College")**

Appointment of Voluntary Administrators

I refer to the initial correspondence dated 5 March 2025.

As you are aware, Sam Marsden and I were appointed Joint and Several Administrators (Administrators) of the College on 5 March 2025, pursuant to the provisions of Section 436A of the Corporations Act 2001 (**the Act**). Evidence of our appointment is enclosed.

As the Administrators, we will assume responsibility for the business and all the operations of Brindabella including all matters concerning staff and suppliers of the college in respect to its ongoing trading from the date of our appointment. Therefore, it will be business-as-usual strategy while we undertake an urgent assessment of the College's operations and financial position.

The Administration process will run concurrently with the ongoing operations of the college to deliver education outcomes to all students. The administration process will to the maximum extent possible not impact student classes, and the educational operations of the college will continue to be led by the Executive & College Principals as well as the Executive Director of the Early Learning Centers. The Administrators do not intend to be involved in this area of the school's operations.

All wages and entitlements during the Administration period will be paid by the Administrators at the ordinary pay cycle. The Administrators will also attend to the payment of any back pay from the last pay run.

We are committed to working with the staff, management team, board, and other key stakeholders to ensure that the best educational and financial outcomes are achieved for the college and all relevant stakeholders.

As the College progresses through the voluntary administration process, we will continue to provide regular updates to you including convening a town hall for the benefit of the wider College community as soon as is reasonably practicable.

Your Employment

Your employment with the College will continue during the Administration period whilst we undertake an urgent review of the College's trading position. It should be noted that continuation of your employment in no way constitutes an adoption by us of your employment contract.

Outstanding employee entitlements

Any outstanding entitlements due to you as at the date of the appointment of voluntary administrators, being 5 March 2025, are 'frozen' during the voluntary administration and are a priority claim against certain assets of the College.

During the voluntary administration process, the Administrators will be utilising a platform known as "HALO" for the ongoing management of creditor claims, including any outstanding entitlements. Further communication on access to the HALO platform will be provided to you shortly.

In relation to the balance of your entitlements, we will upload this information into "HALO" for your review to ensure its accuracy at a later date. Please note that the figures will be based on the records of the College.

If the College was to enter liquidation and your entitlements were unable to be fully met from asset realisations in the College (or there is a delay), there is also a Federal Government scheme known as the Fair Entitlement Guarantee (FEG) scheme which applies to most outstanding employee entitlements, subject to eligibility criteria. We also enclose the following information which provides further information on the voluntary administration process and your rights as an employee and creditor of the College:

- FAQ for employees (**Annexure B**)
- ASIC information sheet 75 – Voluntary Administration: A guide for employees (**Annexure C**)
- FEG scheme – Eligibility fact sheet (**Annexure D**).

Employee Assistance Program

We understand that this may be a challenging time for some and would like to remind all College staff that they can utilise Marymead CatholicCare's Employee Assistance Program (EAP) if required. The EAP provides free, voluntary and confidential counselling services for employees and can be reached by telephone on 1800 068 698 or by email at enquiries@mcg.org.au.

Other matters

As a consequence of and from the date of the appointment, the Administrators will take control of the management operations of the College and of its assets in accordance with the Act.

We are currently establishing controls and processes to put in place to enable us to properly monitor the trading liabilities being incurred by the College under our control, whilst causing as little disruption as possible to the day to day running of same.

These controls and processes will be conveyed to you once they are finalised.

Media enquiries

Should you receive contact from the media, please direct those queries to:

Lachlan Moffet Gray
Communications, Media & Corporate Affairs
Deloitte Australia
M: +61 413 739 290
E: lmoffetgray@deloitte.com.au

Ongoing communication and contact details

We understand this is a very difficult and uncertain time for you. To the extent possible, we will work to minimise as much disruption to your employment as we can, whilst the administration and sale process is underway.

We thank you for your patience and understanding during this time.

Should you require any further information, please contact our office by email to BrindabellaAdmin@deloitte.com.au.

Yours faithfully



Sam Marsden

Joint and Several Administrator

Encl.

Form 505

Corporations Act 2001

415(1), 427(2), 427(4), 450A(1)(a),

499(2C)(a) & (b), 537(1) & (2),

Insolvency Practice Rules (Corporations) 2016

s70-60(2)

Corporations Regulations 2001

5.3B.50, 5.3B.54, 5.5.06

External Administration or Controllership Appointment of an administrator or controller

Liquidator details

Registered liquidator number

224498

Registered liquidator name

SALVATORE ALGERI

Company details

Company name

**BRINDABELLA CHRISTIAN EDUCATION
LIMITED**

ACN

100 229 669

Industry division

EDUCATION AND TRAINING

Industry group

School Education

ANZSIC Code

802

Add a new appointment

Appointee details

Liquidator No. **224498**

Person Name

SALVATORE ALGERI

Address

**DELOITTE SRT PTY LTD, LEVEL 26 477
COLLINS STREET MELBOURNE VIC 3000
Australia**

Type of Appointment **Appointed Jointly and
Severally**

Appointee details

Liquidator No. **437274**

Person Name

SAM ANDREW MARSDEN

Address

**DELOITTE SRT PTY LTD, 'QUAY
QUARTER TOWER' LEVEL 7 50 BRIDGE
STREET SYDNEY NSW 2000 Australia**

Type of Appointment **Appointed Jointly and
Severally**

Appointment Details

Provide the date of appointment.
05-03-2025

Type of administrator
Administrator

Method of appointment
other appointment

Authentication

This form has been authenticated by
Name **SALVATORE ALGERI**
This form has been submitted by
Name **Vikki Jayne KING**
Date **05-03-2025**

Payment

You need to pay the fee (and any late fees if required) by Bpay or cheque in accordance with the instructions on your invoice

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

6 March 2025

Brindabella Christian Education Limited
(Administrators Appointed)
ACN 100 229 669
Trading As Brindabella Christian College
(the “College”)

Frequently Asked Questions (FAQs) for Employees

FOR STAFF ONLY – DO NOT PROVIDE TO EXTERNAL PARTIES

The purpose of this FAQ is to assist staff in understanding the voluntary administration appointment, how it affects their work and how to answer external questions.

The Australian Securities & Investments Commission (**ASIC**) has published an Information Sheet 75 to provide information for employees of companies in voluntary administration. This Information Sheet is located at: <https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-employees/voluntary-administration-a-guide-for-employees/>

1. What has happened?

The Board of Directors of the College resolved on 5 March 2025 to appoint Sal Algeri and Sam Marsden from Deloitte Turnaround & Restructuring as Voluntary Administrators (hereon jointly referred to as the **Administrators**) pursuant to Section 436A of the Corporations Act 2001 (the **Act**) as they have formed the view that the College is unable to pay its debts as and when they fall due.

2. What is the role of the Voluntary Administrators?

Administrators assume responsibility over the College’s operations and our role is as follows:

- We are in full control of the College and its assets.
- The effect of the appointment of the Administrators is to place a moratorium (freeze) on the payment of amounts due to unsecured creditors for debts incurred up to the date of their appointment.
- This effectively buys the Administrators time to do what they need to do to restructure and /or find a new operator for the College.
- The Administrators have to hold a meeting of creditors (including employees) in the first 8 business days from appointment. The purpose of this meeting is to provide information to the creditors on the process and confirm if creditors wish to form a committee.
- The Administrators are required to investigate the affairs of the College and report back to creditors and employees of their findings in a second report to creditors. They will also make a recommendation to creditors regarding the future of the College. This second meeting is usually held within 25 business days of their appointment but may be extended if the Court and the Administrators think an extension is in the best interest of creditors.

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- The Administrators will take you through what happens at the meeting of creditors at a later time.

During the voluntary administration process, the Administrators will be utilising the HALO platform for the ongoing management of creditor claims, including any outstanding entitlements. Further communication on access to the HALO platform will be provided to you shortly.

3. What happens next?

Our objective is for the College to emerge from the process on a sustainable financial footing with a robust and future-proof governance framework that will support the College's continuation as an education provider. The Administrators' intention is to cause as little disruption to the College as possible, whilst still meeting their obligations under the law. They may make information requests to some staff to help understand the College's operations as quickly as possible.

We will keep you as updated as we can during the process, either directly from the Administrators or through your team.

4. Do I continue coming to work considering the College is under Voluntary Administration?

Yes. Your employment will continue with the College. You will continue to be employed and paid wages incurred during the period from the date of voluntary administration unless you are advised otherwise by the Administrators. The intention is for employment to continue as normally as possible through this process and into the future.

5. Will I still be paid?

Yes. All your wage and salary as well as the employee entitlements including superannuation that you have accrued from the commencement of the Voluntary Administration form part of the costs of Administration which the Administrators are personally liable for.

The Administrators understand that there are outstanding wages and superannuation owed to staff at the date of our appointment. Employees will be paid on Friday, including any arrears from previous pay cycle.

For your pre-appointment entitlements, please refer to **Question 6** of this FAQs below.

6. What happens to my entitlements (Annual Leave, Long Service Leave, Superannuation, Expenses)?

We understand that employees may have questions about their entitlements, including wages, superannuation, and leave balances. As of the appointment of the Administrators, these entitlements are temporarily on hold.

Our main goal is to keep the College operating, as this would help ensure that employee entitlements are paid as usual. However, if this is not possible, payments to employees and other creditors will depend on the College's ongoing financial performance and the funds recovered from its assets, after covering the costs of administration.

The order of distribution to creditors, employees and financiers is determined by the Corporations Act. A more detailed description of how this works can be found on page 2 of the ASIC Information Sheet that was attached to the circular to employees.

In the event of a shortfall, there is also a government scheme known as Fair Entitlement Guarantee (**FEG**), which applies (up to applicable caps) to most of your outstanding entitlements (except superannuation) that may also be applicable if the College enters liquidation (which would only occur after the voluntary administration period).

7. What happens to my role?

The intention is for employment to continue as normally as possible through this process and into the future.

8. Does my reporting line change?

No. There is no change to your reporting line at this time. We will keep you updated on any changes that impact you.

9. How long will this go on for?

A voluntary administration process typically lasts around 25 to 30 business days, however the Court may grant an extension of time.

10. Can I still access my work email and accounts?

Yes (to the extent this is relevant to your role). During this time, you will continue to have access to your work accounts.

11. What happens to the operations of the business?

At this stage, the Administrators will continue to operate the College as much as possible on a 'business-as-usual' basis, while they undertake an urgent assessment of the position.

12. What happens if the Administrators can't find a successful outcome?

The Administrators' objective is for the College to emerge from the process on a sustainable financial footing with a robust and future-proof governance framework that will support the College's continuation as an education provider. Alongside the College's management team, we will continue to provide updates as this process unfolds.

13. What do I do if media reach out to me?

Please forward all media related correspondence to Lachlan Moffet Gray of Deloitte at lmoffetgray@deloitte.com.au and it will be dealt with by the Administrators.

14. Will people be made redundant?

At this stage, our focus is on supporting the College's continuation as an education provider. The Administrators are working through a number of different options with the College's management team, Federal and Territory Governments to reshape the College's future. We will keep you updated regularly as to the progress of this Administration as this process unfolds.

15. Where can I go for financial assistance?

If you are suffering from financial hardship, further information about support that may be available can be found at www.servicesaustralia.gov.au.

16. Where can I go for mental health assistance?

We appreciate that this may be an unsettling time and encourage you to seek support if you need it. All College staff can utilise Marymead CatholicCare's EAP if required. The EAP provides free, voluntary and confidential counselling services for employees and can be reached by telephone on 1800 068 698 or by email at enquiries@mcg.org.au.

17. What do we tell our suppliers?

Suppliers will want to know what this means for them, and you may receive enquiries from your suppliers. Please immediately refer these to one of the Administrators' staff. Enquiries can also be directed to BrindabellaAdmin@deloitte.com.au.

The Administrators will be working with the relevant staff to contact key suppliers shortly.

The Administrators have also sent an Initial Circular to Suppliers to all suppliers.

It is requested for staff to familiarise themselves with the contents outlined in the Initial Circular to Suppliers regarding ongoing trading for the College.

18. What if suppliers have concerns about getting paid going forward?

As outlined in our Initial Circular to Suppliers, the Administrators will only make payment for goods and services properly authorised with a written purchase order signed by the Administrators' authorised staff. If any exceptions are made, staff will be notified accordingly.

The Administrators will liaise with suppliers to set up accounts, as required, and also to provide a list of authorised signatories for ordering purposes.

The Administrators are personally liable for any properly authorised orders made so suppliers that have orders confirmed in this way can be confident that they will be paid in the ordinary course.

19. What do I do if a supplier wants access to site to collect stock or other assets?

The Administrators will be contacting key suppliers and subcontractors in the first couple of days regarding ongoing supply. If any of them contact you in the meantime, please immediately refer these to one of the Administrators' staff in the first instance as we do not want to disrupt supply.

If suppliers call or arrive at site and demand access to remove stock supplied or other assets held at the site, please refer them to one of the Administrators' staff to discuss and make suitable arrangements.

20. What do we tell our students and parents?

Students and parents will want to know what this means for them, and you may receive enquiries. It's important our students and parents know that operations continue whilst the Administrators assist the College to emerge

from the process on a sustainable financial footing with a robust and future-proof governance framework that will support the College's continuation as an education provider.

The Administrators and the College's management team will be contacting parents of the students in the first few days of the voluntary administration.

21. What do I tell creditors who ring up wanting to get paid for an old debt?

The Administrators will be contacting key creditors in the first few days regarding ongoing supply. If any of them contact you in the meantime, please immediately refer these to one of the Administrators' staff. Enquiries can also be directed to BrindabellaAdmin@deloitte.com.au.

If other creditors ring up and make demands to get paid or want their goods returned, please refer them to one of the Administrators' staff. Enquiries can also be directed to BrindabellaAdmin@deloitte.com.au.

As outlined earlier, we have sent a circular to suppliers which you should familiarise yourself with.

22. How to contact the Administrators

If you have any questions that have not been answered by this FAQ document, please contact the Deloitte representative on site, or via our email inbox BrindabellaAdmin@deloitte.com.au and we will respond to your query.

Voluntary administration: A guide for employees

This information sheet (INFO 75) provides information for employees of companies in voluntary administration. It covers:

- [who is an employee?](#)
- [the purpose of voluntary administration](#)
- [the voluntary administrator's role](#)
- [employee entitlements](#)
- [establishing your claim under a deed of company arrangement](#)
- [payment summaries and separation certificates](#)
- [committee of inspection](#)
- [right to request information](#)
- [questions and complaints](#)

If you are an employee, you should also read [Information Sheet 74](#) *Voluntary administration: A guide for creditors* (INFO 74).

Who is an employee?

You are an employee if you are:

- engaged by a company under an award, enterprise agreement, agreement-based transitional instruments (i.e. agreements that were in force before the commencement of the *Fair Work Act 2009*) or a contract of employment
- paid a salary, wages or commission.

If you are an employee owed money for unpaid wages, superannuation, annual leave, sick leave, long service leave, retrenchment pay or other benefits, you are a creditor of the company. You may be entitled to some or all of what you are owed before other company creditors (this is known as 'priority').

If you are a **contractor**, you may be classified as an [unsecured creditor](#), not an employee. You should seek your own legal advice or contact the [Australian Taxation Office](#) (ATO), [the Fair Work Ombudsman](#) or your union representative to determine if you are a contractor or an employee.

The purpose of voluntary administration

Voluntary administration is designed to resolve a company's future. An independent registered liquidator (the voluntary administrator) takes full control of the company. This allows the director or a third party – usually in consultation with the voluntary administrator – time to find a way to save the company or its business, if possible.

If it is not possible to come up with a plan to save the company or its business, the voluntary administrator aims to administer the company's affairs to obtain a better return (payment) to creditors than if the company had been immediately wound up (closed down). A mechanism for achieving these aims is a deed of company arrangement (DOCA).

A DOCA is a binding arrangement between a company and its creditors governing how the company's affairs will be dealt with. It is agreed to after the company enters voluntary administration. The DOCA is proposed by the director (or any third party) and is administered by a deed administrator (usually the registered liquidator who was the voluntary administrator).

A company's director(s) usually appoint/s a voluntary administrator after they determine the company is insolvent or likely to become insolvent. Less commonly, a liquidator, provisional liquidator or secured creditor may appoint a voluntary administrator.

A [secured creditor](#) is someone who holds a [security interest](#), such as a mortgage, in some or all the company assets to secure a debt owed by the company. Lenders usually require a security interest in company assets when they provide a

loan.

A company in voluntary administration may also be in receivership. For more information, see [INFO 54](#).

The voluntary administrator's role

After taking control of the company, the voluntary administrator investigates and reports to creditors about the company's business, property, affairs and financial circumstances. They also report on the three options available to creditors (including employees):

- end the voluntary administration and return the company to the directors' control
- approve a DOCA through which the company will pay all or part of its debts and then be free of those debts
- wind up the company and appoint a liquidator.

The voluntary administrator must give an opinion on each option, including an opinion on any DOCA proposal, and recommend which option is in the best interests of creditors.

In doing so, the voluntary administrator tries to:

- determine possible solutions to the company's problems
- assess any proposals put forward for the company's future
- compare the possible outcomes of any proposals with the likely outcome in a liquidation.

A creditors' meeting is held about five weeks after the company goes into voluntary administration to decide the company's future. In complex administrations, the meeting may be held later if the court orders.

Employees are entitled to vote at creditors' meetings. You should lodge details of your claim with the voluntary administrator before the meeting to allow you to vote.

The voluntary administrator has all the powers of the company and its directors, including the power to sell or close the company's business, or sell individual assets, in the lead up to creditors deciding the company's future.

The voluntary administrator is also responsible for reporting to ASIC possible offences committed by people involved with the company.

Although the voluntary administrator may be appointed by the directors, they must act fairly and impartially.

Employee entitlements

If the voluntary administrator continues to trade the business, they must pay ongoing employees for services provided after the date of their appointment out of the assets available to them. These payments are treated as an expense of the voluntary administration.

The appointment of a voluntary administrator does not automatically terminate the employment of the company's employees. However, employee entitlements that arose before voluntary administration are not usually paid during voluntary administration.

How and when these employee entitlements are paid depends on the option passed at the creditors' meeting (i.e. company returned to directors, a DOCA or liquidation).

Company returned to directors

In very rare circumstances, creditors will resolve to return the company to the control of its directors.

If the company is returned to the directors, the directors will be responsible for ensuring that the company pays outstanding entitlements as they fall due.

Deed of company arrangement

If creditors approve a DOCA, the order (priority) in which outstanding employee entitlements are paid depends on the terms of the DOCA. Sometimes the DOCA proposal is for these entitlements to be paid in the same order as in a liquidation. Other times, a different order is proposed.

A DOCA must ensure that employees' entitlements have the same order as in a liquidation, as provided by law, unless the eligible employees agree by a majority in both number and value to vary this order.

This means that, in a DOCA, unless a variation to the order of payment is agreed, employees have the right – if there are funds left over after payment of the fees and expenses of the voluntary administrator and deed administrator – to have their outstanding entitlements paid before other unsecured creditors are paid.

Priority employee entitlements are grouped into categories (or classes) and paid in the following order:

- outstanding wages and superannuation
- outstanding leave of absence (such as annual leave and long service leave)
- retrenchment pay.

Each class must be paid in full before the next class is paid. If there are insufficient funds to pay a class in full, the available funds are paid on a pro-rata basis (and the next class or classes will be paid nothing). For more information, see Information Sheet 46 *Liquidation: A guide for employees* (INFO 46).

Where a DOCA proposal seeks to vary order for employee entitlements

If a DOCA proposal seeks to vary the payment order for employee entitlements, the voluntary administrator must call a meeting of eligible employees giving at least five business days' notice of the meeting. At the same time, the voluntary administrator must give eligible employees a statement setting out:

- their opinion about whether the proposed variation would result in the same or better outcome for employees than if the company went into liquidation
- their reasons for this opinion
- any other information to help employees make an informed decision about varying the order.

Before you decide on how to vote at the meeting of eligible employee creditors (or the creditors' meeting where the decision is made), make sure you understand how the DOCA will affect the order of payment of your outstanding entitlements.

The Fair Entitlements Guarantee (FEG)

Employees owed certain entitlements after losing their job because their employer went into liquidation may be able to get financial help from the Australian Government.

This help is available through the FEG.

However, if you are employed by a company in voluntary administration or subject to a DOCA, you are not eligible for the FEG until and unless the company enters into liquidation.

The FEG is a scheme of last resort assisting employees who have lost their job because their employer entered liquidation. For more information, see the FEG website.

You may wish to seek independent legal advice on whether the terms of a proposed DOCA will affect your claim under the FEG if the company subsequently goes into liquidation.

If the DOCA provides for your ongoing employment, you may also wish to seek advice on how this affects payment of your outstanding entitlements.

The FEG does not cover unpaid superannuation contributions. For information about outstanding superannuation entitlements, contact the Australian Taxation Office (ATO).

Liquidation

If creditors resolve that the company be wound up, the priority order given to outstanding employee entitlements in a liquidation will apply.

If there are funds left over after payment of the fees and expenses of the administrator and liquidator, employees have the right to be paid their outstanding entitlements before other unsecured creditors are paid.

The grouping of outstanding employee entitlements and order of payment in a liquidation is the same for a [DOCA](#). For more information, see [INFO 46](#).

You may also be entitled to make a claim under the FEG when the company enters into liquidation.

Establishing your claim under a deed of company arrangement

The DOCA's terms will outline how claims are dealt with under the DOCA. Sometimes the DOCA incorporates the Corporations Act provisions for dealing with claims in a liquidation.

Regardless of the DOCA's terms, if the deed administrator must pay outstanding priority employee entitlements, they may advise you beforehand how much they believe you are owed. You should promptly contact the deed administrator if you disagree with their calculation.

You may be required to complete an employee entitlement claim form (sometimes called a '[proof of debt](#)'). Contact the deed administrator's office to agree and settle the amount and ask questions about the timing of the payment

You may need to provide evidence to justify your claim. It is important that you keep your pay or other records about the terms of your employment.

You may also need these records to complete your income tax return and establish any entitlement to the FEG if the company proceeds to liquidation.

When you submit your claim, ask the deed administrator to acknowledge receipt of your claim and ask if they require any further information.

If the deed administrator rejects your claim after you have taken these steps, you may wish to seek your own legal advice. Depending on the terms of the DOCA, you may have a limited time to take legal action to challenge the decision.

See [INFO 46](#) to find out how to prove your claim in a liquidation.

Payment summaries and separation certificates

Most employees require a PAYG payment summary (group certificate) to complete and lodge their income tax return. A separation certificate may also be required before an employee who loses their job can apply for social security.

If a voluntary administrator or deed administrator pays you any employee entitlements, they must provide you with a PAYG payment summary recording the entitlements paid and any income tax deducted. Contact the voluntary administrator or deed administrator to find out if they are going to prepare your PAYG payment summary for entitlements paid by the company prior to their appointment, and, if so, what period it will cover.

If you cannot obtain a PAYG payment summary for any period, [contact the ATO](#) to find out how to meet your obligations.

A voluntary administrator and deed administrator must prepare a separation certificate for any employee whose employment is terminated during the voluntary administration or DOCA. They are not obliged to prepare one for terminations of employment that occurred prior to voluntary administration.

[Contact Centrelink](#) to find out what you should do if you cannot obtain a separation certificate.

Committee of inspection

A [committee of inspection](#) may be formed to assist and advise the voluntary administrator. The committee of inspection also:

- monitors the conduct of the voluntary administrator
- may approve certain steps in the administration
- may give directions to the voluntary administrator.

The voluntary administrator must consider but is not always required to follow the directions. For more information, see [INFO 74](#).

All creditors, including a representative of the company's employees, are entitled to stand for committee membership to represent the interests of all creditors. Employees and large creditors can appoint their own member.

Right to request information

As a creditor, you can ask the administrator to give you information, provide a report or produce a document relevant to the administration

If the request is reasonable, the administrator must provide this information, report or document. Complying with the request will not cause the administrator to breach their duties.

Questions and complaints

Contact the voluntary administrator/deed administrator to raise any question or complaints. If this fails to resolve your concerns, including any concerns about the administrator's conduct, you [can lodge a report of misconduct with ASIC](#). Reports of misconduct against companies and their officers can also be made to ASIC.

Lodging your report of misconduct online will ensure we can quickly respond to your concerns.

ASIC does not usually become involved in matters of a voluntary administrator's or deed administrator's commercial judgement.

More information

- › [Information Sheet 39 *Insolvency information for directors, employees, creditors and shareholders*](#) (INFO 39)
- › [Australian Restructuring Insolvency & Turnaround Association \(ARITA\) website](#)
- › [ARITA Code of Professional Practice for Insolvency Practitioners](#)

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice.

You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

This is **Information Sheet 75 (INFO 75)**, reissued in August 2020.



Eligibility for FEG assistance

This fact sheet provides information about the eligibility requirements for the Fair Entitlements Guarantee (FEG). The Fair Entitlements Guarantee (FEG) is a scheme of last resort that provides financial assistance for unpaid entitlements in insolvency. FEG assistance is only available where there is no other source of funds to pay employment entitlements to eligible employees retrenched due to liquidation of bankruptcy of the employer.

For information about what assistance is available please refer to the [What assistance can FEG provide?](#) fact sheet available on the [FEG website](http://www.ag.gov.au/FEG) (www.ag.gov.au/FEG).

The FEG Act

Decisions about eligibility for FEG assistance are made in accordance with the *Fair Entitlements Guarantee Act 2012* (FEG Act). FEG may apply to a person if their employer enters liquidation or bankruptcy and the person has certain unpaid employment entitlements owing to them. For information about what assistance is available please refer to the [What assistance can FEG provide?](#) fact sheet available on the [FEG website](http://www.ag.gov.au/FEG) (www.ag.gov.au/FEG).

Am I eligible?

Subject to certain exclusions, you will be eligible for FEG assistance under the FEG Act if:

- your employment has ended
- your former employer entered liquidation or bankruptcy (known as an 'insolvency event') on or after 5 December 2012
- the end of your employment:
 - was due to the insolvency of your employer, or
 - occurred less than 6 months before the appointment of an insolvency practitioner for the employer, or
 - occurred on or after the appointment of an insolvency practitioner for the employer
- you are owed employment entitlements
- you have taken reasonable steps to prove those debts in the winding up or bankruptcy of the employer
- if you were owed employment entitlements before the insolvency event occurred, you took reasonable steps to have them paid
- at the time your employment ended, you were an Australian citizen or, under the

Migration Act 1958, the holder of a permanent visa (ie your current visa allows you to live in Australia indefinitely) or special category visa (ie your current visa allows you to stay and work in Australia as long as you remain a New Zealand citizen)

- you have made an effective claim (see s. 14).

You must meet all of the above requirements to be eligible for FEG assistance.

Exclusions from eligibility

FEG is a scheme for employees only. Other classes of workers, for example contractors and sub-contractors, are not eligible for assistance. Contract outworkers in the textile clothing and footwear industry may be covered under a special scheme for employees in that industry.

Some classes of employees are also ineligible for FEG assistance. You will be ineligible for assistance under the FEG Act if:

- you were a director of the company or you were the relative (as defined by the *Corporations Act 2001*) of an employee director at any time in the 12 months before the insolvency event
- you converted from contractor status to employee status with the same employer within 6 months of the insolvency event
- your former employer was within the scope of the Special Employee Entitlement Scheme for Ansett Group Employees (s. 13).

Making an effective claim

You must make an effective claim to be eligible for FEG assistance. It is important that you submit your claim as soon as possible because FEG has strict time limits.

To make an effective claim, you must:

- lodge a FEG claim form
- include all mandatory information and documentation requested on the form
- lodge your claim no more than 12 months after the end of your employment or the date of the insolvency event (whichever is later) and
- lodge your claim before the discharge of your former employer's bankruptcy (if your employer was a bankrupt).

If your claim is not made within this timeframe, or does not include all required information and documentation, it will not be effective and you will not be eligible for FEG assistance.

For more information about lodging a FEG claim form, please refer to the [How do I apply for FEG assistance](#) fact sheet available on the [FEG website](#) (www.ag.gov.au/FEG).

How can you help?

While information provided by the insolvency practitioner is generally relied upon, it is important that you provide as much information as possible to decide if you are eligible for FEG assistance and, if so, to work out the amount of assistance you are eligible for.

The information contained in this fact sheet is of a general nature and explains, in summary form, the intended operation of the *Fair Entitlements Guarantee Act 2012* - it is not legal advice. Where necessary, you should seek your own independent legal advice relevant to your particular circumstances. The Commonwealth does not make any representation or warranty about the accuracy, reliability, currency or completeness of the information contained in this fact sheet and is not liable for any loss resulting from any action taken or reliance made by you on the information contained in this fact sheet.

For more information about the type of information you should provide please refer to the [How do I apply for FEG assistance](#) fact sheet available on the [FEG website](#) (www.ag.gov.au/FEG).

Want more information?

You can contact the FEG Hotline if you would like more information about eligibility for FEG assistance. To contact the FEG Hotline:

- 1300 135 040
Mon - Fri, 9 am - 5 pm (AEST/ADST)
- email FEG@jobs.gov.au.

If you speak a language other than English, call the Translating and Interpreting Service (TIS) on 13 14 50 for free help anytime. If you speak an Indigenous language, call the Aboriginal Interpreter Service on 1800 334 944.

Further information is also available on the [FEG website](#) (www.ag.gov.au/feg).