

FREQUENTLY ASKED QUESTIONS

EMPLOYEES

Who are the Administrators and why have they been appointed?

George Georges and John Lindholm were appointed Voluntary Administrators over Australian Careers Institute Pty Ltd and a number of associated entities (referred to as the Group) on 8 February 2017.

The Administrators are:

- Now in full control of the Group's business; and
- Urgently undertaking an examination of the financial position of the Group with a view to assessing ongoing viability.

The recent changes to government policy in the vocational education and training sector in Australia have had an impact on all providers. Such changes have been significant for the Group, which has been a specialist face-to-face provider that has maintained extensive campus locations and physical and human resources to service its students.

The administration provides an opportunity for an independent party to assess potential options for the Group. It is important that this is done in consultation with the key stakeholders: employees; students, suppliers and other creditors.

The Administrators will be undertaking an urgent examination of the financial position of the Group and explore all options over the course of this week. In the interim, it is classes as usual.

What do I tell students if they ask what is going on?

Do not attempt to explain the situation to students, in detail. Rather, if a student does ask what is going on, provide them with a copy of the student FAQ provided.

What will change in the running of the Institute?

The Administrators will continue classes as usual with a view to selling the business as a going concern.

Student hotline

A student hotline has been set up and the details are enclosed in the student FAQ. Where possible, staff should direct students to this number/email address.

Media

As is standard, it is not acceptable for members of the media to enter the Institute or speak to staff without the express permission of the Group, or in this case, the Administrators. All requests to speak with the media are to be directed to Matt Francis of Newgate Communications.

Matt's contact details are:

Matt Francis
Newgate Communications Pty Limited
03 9611 1800
0467 777 220
matt.francis@newgatecomms.com

Social Media

Posts are not to be made on the official Facebook, Twitter or You Tube sites without the approval of the Administrators.

How does the appointment of Administrators affect my employment?

The business will continue to trade during the administration period and your employment with the Group will continue and you will be paid by the Administrators, on time and in the ordinary course. The only change to this will be that the payment is now coming from the Administrators.

Your entitlements accrued **prior** to the appointment of the Administrators (e.g. Annual Leave; Long Service Leave) are on hold at the date of appointment and are a priority unsecured debt of the Group.

For the avoidance of doubt, any post appointment wages will be paid by the Administrators in the ordinary course.

Rosters

Rosters will continue as per usual unless otherwise advised. If you are unable to complete any scheduled shift please contact your manager as soon as possible.

Annual Leave

Your annual leave may be taken as normal if it has already been booked.

If you are proposing to take annual leave in the future, please complete your annual leave request as you currently do for approval by your manager. Your manager will then obtain approval from the Administrators to grant you annual leave.

Will my outstanding entitlements be paid?

The Administrators are immediately seeking a sale of the business as a going concern. In the event of a successful sale, your employment may continue with the purchaser, in which case your employee entitlements will transfer to the purchaser.

In the event that a sale is not possible and the Group is ultimately placed into liquidation a Federal Government Scheme exists, known as the **Fair Entitlement Guarantee (FEG), which advances funds for eligible employees.**

FEG provides eligible applicants with compensation for employee entitlements including unpaid wages, outstanding annual leave, long service leave, pay in lieu of notice and redundancy to a maximum limit in accordance with the scheme. FEG does not provide funds in respect of superannuation.

Please note that the eligibility of each claim is determined by the Department of Employment.

What happens if I find another job, will my entitlements be paid?

If you resign after the Group is placed into liquidation you may still be eligible to make a claim to FEG.

If you resign your position **during the administration period:**

- a) You may miss the opportunity for future employment with a purchaser of the business in the event a sale of the business occurs.
- b) You will **not** be entitled to redundancy payments (e.g. severance and notice) based on your employment contract or award. You will however be entitled to normal annual leave and long service leave payments should they apply to you. These amounts may be included in a FEG claim.

General Queries

For all general queries on the administration process and how it affects business, please contact your manager in the first instance.

For further information concerning the administration process and Ferrier Hodgson, please do not hesitate to contact the Employee Hotline on 03 9604 5608 or via email at ACIemployees@fh.com.au.