

Future of Work

Security of Work Policy

A New Deal on Income Protection and Employment Security Policy

1. This policy:
 - a) Confirms the ACTU's longstanding approach to reduce the incidence of casual and contract labour, improved job security and access to decent work for casual and contract labour, and reform corporations laws to protect entitlements;
 - b) Advocates additional short term measures that can be implemented immediately; and
 - c) Calls for a long term new deal for income protection and employment security.
2. Congress recognises a strong economy, increasing productivity growth, and building innovative and prosperous companies remains the best form of income protection and employment security and that government, employers, employees and their unions have a role in sustaining this.
3. The prospect of rising unemployment in coming months heightens the ACTU's concern for the working people and their families whose jobs are being lost.
4. The ACTU and unions believe Australians want to see a new and visionary deal delivered on income protection and employment security. Advocacy of far-sighted economic and social reform, such as superannuation and Medicare, has been the hallmark of trade unions' contribution to public policy in Australia, and the time has come to establish new standards for income protection and employment security.

Affirmation of longstanding policy

5. Regardless of the economic climate the labour market should deliver secure employment and incomes to all workers. Congress has long been concerned at the increased use of casual and contract labour in Australia. These workers do not receive the same income protection and secure employment arrangements as other Australian workers.
6. Given the present Global Financial Crisis Congress recognises the fact that Aboriginal and Torres Strait Islander people will face even greater challenges than the general community with regard to wage parity and job security due to ongoing economic and social discrimination. Congress believes that an ongoing commitment is required by all affiliates to address job security and initiate pay equity claims wherever discriminatory practices are identified.
7. Congress reaffirms the commitments made in relation to employment security and protection of entitlements at Congress from 2000. In these unstable economic times it is vital that government actions to protect entitlements include the following elements:
 - a) amend GEERS to offer 100% universal protection for all financial entitlements, including back pay, superannuation, annual leave, long service leave, redundancy, untaken RDOs and unremitted deductions, and improve the administration of the scheme and oversight of the scheme;
 - b) amend corporations laws to rank employee entitlements, regardless of their whether they arise from awards, agreements or contracts above secured creditors in insolvency situations;
 - c) ensure employee entitlements are included in the definition of 'debt' for the purposes of insolvency;
 - d) ensure related companies can be treated as single entities for the purpose of protecting entitlements;
 - e) strengthen directors' responsibilities, by requiring earlier action by company directors where companies are likely to become insolvent, and impose the onus of directors to in cases where they have allegedly avoided their obligations or traded while insolvent;
 - f) protect unpaid superannuation entitlements for all workers;
 - g) enhances the policing powers of ASIC in pursuing Directors of insolvent firms, particularly those who fail to pay employee entitlements in full;

- h) facilitate tripartite co-operation and support for firms where employers, employees and their unions are working together to maintain jobs;
 - i) provide for a training guarantee and case management to facilitate re-skilling of workers who lose their job or are threatened by retrenchment. This scheme should also be made available to all unemployed employees, and contractors and casual workers who no longer have access to a steady income stream;
 - j) provide training and salary maintenance arrangements for the employees in sustainable companies being confronted with working a four day week and/or experiencing down days and loss of income;
 - k) provide a job start wage subsidy for employers hiring displaced workers and the long term unemployed in regions and Local Government Areas where unemployment is above the national average; and
 - l) increase income support from unemployment benefits commensurate with increases in the pension.
8. In addition to this Congress expresses its determination to act decisively during this recession to improve the conditions of casual employees, home-based outworkers, dependent contractors and employees of labour hire companies. Such action will include:
- a) unions bargaining for measures to reduce the incidence of casual employment, extend employment entitlements to casual employees, and ensuring awards provide for the right of casuals to convert to permanent employment after a specific period of time;
 - b) developing a code of practice governing contracting out and use of labour hire, and campaign for its adoption by employers and governments;
 - c) campaigning and bargain to achieve the same pay and conditions for labour hire workers as apply to the relevant employer's direct employees, whether through awards or agreements;
 - d) work to ensure a comprehensive response from governments to secure improvements in job security and access to entitlements for workers engaged under contracts for services, including improving access to cheap and effective remedies for unfair or sham contracts, enforcement of contractors entitlements to superannuation and workers compensation, and reforming the Trade Practice Act to allow

contractors to receive advice and information at work and bargain collectively through their union;

- e) ensuring that employees of labour hire companies and home-based outworkers are covered by appropriate awards and subject to the jurisdiction of Fair Work Australia. The enforcement regime must ensure that unions and the various enforcement agencies are resourced and able to ensure these workers receive all their legal entitlements; and
9. Congress notes that the Fair Work Act extends award protection to home based outworkers, but supports the TCFUA's call to strengthen and broaden the scope of these protections.

Short term measures to address the current economic climate

10. In the current economic climate Congress calls on the Government to provide a better safety net of income and employment protection.

As an immediate response Congress calls on the Government to create a national system of income protection that:

- a) guarantees 100% of accumulated employee entitlements; and
- b) assists in the retention, retraining and/or reemployment of workers impacted by the current crisis.

A New Deal on Income Protection and Employment Security: Long Term Measures

11. Congress confirms immediate and long term action is needed to deal with the economic recession and its consequences. The existing national social safety net for income protection and employment security is insufficient and leaving ordinary Australians behind.
12. Australia must avoid exacerbating the legacies of the recessions of the early 1980's and 1990's. To avoid this recession permanently enlarging the ranks of the working poor and creating a generation of long term unemployed, a modern system of income protection and employment security is needed. Benchmarked against international innovation in countries such as Denmark, Sweden and Germany, a new system could enhance both income security for workers and their families and provide automatic stabilisation for the economy.

13. Congress calls for the government to urgently implement our short term measures to help protect workers income and their jobs during this global recession; and also calls on the Government to establish a new set of national standards around income protection and job security that is appropriate for the 21st century.
14. Policies to protect Australian workers and their families against economic downturns should have been implemented during the last decade as part of the fiscal dividend from the resources boom. Unfortunately the legacy of the Howard Government is that the fiscal dividend was squandered. In addition through policies such as welfare to work, changes to unfair dismissal, restrictions on access to the dole and the Work Choices legislation; standards of income protection and employment security in Australia, despite a period of unprecedented prosperity, were substantially eroded.
15. Congress calls for the ACTU and unions to promote a standard of income protection and employment security Australian citizens are entitled to expect.
16. Congress calls upon the Government to create a new system of income and employment protection by establishing a working party that will address the following:
 - a) the adequacy and coverage of the existing system of employee entitlements;
 - b) the design of a new system for protecting such entitlements;
 - c) the design of a new scheme for administering and paying for the new system; and
 - d) the strengths and weaknesses of the best options for ensuring the portability of accrued entitlements.
17. Importantly the inquiry must get the right balance between individual, social and corporate responsibility in any future system of income and employment protection.
18. This working party should also:
 - a) develop options for establishing an employment insurance scheme or a similar mechanism to support lifetime learning. Options should ensure income support and training opportunities for employees throughout their working life, inclusive of times of unemployment. To develop the most appropriate option for the Australian context, the

working group should examine the full complement of options available; including European style social security contribution schemes, lifetime learning accounts, Skill Development Funds and other arrangements; and

- b) investigate the supporting mechanisms required to make the proposed arrangements for the income and employment protection scheme to work effectively and efficiently as an integrated and comprehensive system. This will include an appropriate arrangement for administering the system, and its integration with the tax system and existing superannuation and social security schemes.
19. The ACTU and unions commit to prioritising income and employment protection by providing research resources, examining the overseas experience, and undertaking a nationwide consultation process with our members and Australian workers.