

Unions call for more income support & training for workers in economic downturns

More assistance from both employers and government is needed to cover the incomes of Australian workers when they are made jobless and to provide them with training and help finding a new job, say unions.

With about 160,000 more Australians out of work in the past 12 months as a result of the irresponsible business practices which led to the Global Financial Crisis, a new system to improve job security for workers is overdue.

It is unfair and unacceptable for employees to face all the risks when there is an economic downturn, especially when executives hold onto their jobs and continue to pocket huge bonuses said ACTU President Sharan Burrow.

“Workers that lose their jobs in a downturn should not be thrown on the unemployment scrapheap. They need income support to tide them over, training to improve their skills and help finding a new job.

Ms Burrow said the economic downturn of the past 18 months had highlighted shortcomings in the current system of income support for the unemployed.

“The hit to incomes caused by unemployment has a major impact on social and family cohesion. The recent economic downturn has again highlighted deficiencies in social security protection for working Australians and their families.

“The NewStart unemployment benefit is woefully inadequate. Working families are forced to use up nearly all their savings to qualify and then they only get \$228 a week — less than a fifth of average earnings and below the poverty line.

The number of people on Newstart unemployment benefits has leapt by 32%, or 140,000, over the past year to 567,815. The average duration workers are unemployed has also increased significantly this year and stands at 35.2 weeks in August 2009. Jobless workers are not eligible if they have more than \$5500 in savings.

“Existing redundancy provisions for workers are also ad hoc and haphazard. Not all workers are eligible and far too often employers fail to make provision for these entitlements, leaving workers empty-handed and relying on the inadequate taxpayer-funded GEERS scheme.

One direct outcome of the inadequacy of income support was the rise in mortgage foreclosures in Australia earlier this year.

“We need to prepare for the next economic downturn so that workers are not again exposed to such big drops in their income.

“There must be increased regulations on business to prevent a repeat of the GFC and better support for working people who are the unwitting victims of economic change and globalization.

“Greater security of workers’ incomes would also help sustain economic demand in downturns and support workforce flexibility. It would contribute to workers’ ability to embrace structural change in the economy and retraining for new skills such as those required for clean energy, broadband and high tech manufacturing jobs.”

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