

Sunday, 25 July 2010

Workers' job and income security will be better protected under new Labor plan, say unions

The hard-earned entitlements of working Australians who are too often left high and dry by company collapses will be more secure as a result of the Labor Government's plan to improve the protection of entitlements and crack down on unscrupulous corporate behaviour, say unions.

The measures announced today will mean almost all workers will receive redundancy payments in full when their employer goes out of business, and dodgy company directors will be less able to rip off their workforce.

ACTU President Ged Kearney said the Government package had widened the gap between the two major parties on who was best able to secure jobs and incomes for working Australians. Ms Kearney said Opposition Leader Tony Abbott's record in the former Howard Government reveals a callous disregard for the plight of workers who through no fault of their own are left out of their pocket because of unethical behaviour by their employer.

Ms Kearney said the Fair Entitlements Guarantee would mean that 97% of workers would receive their redundancy entitlements in full in cases where their employer went out of business without having made provisions for entitlements.

"There is nothing worse than for a worker to first lose their job, and then discover that their employer has not made provision for their entitlements to redundancy, superannuation, and leave," Ms Kearney said. "This is effectively theft from the pockets of workers, and unions have been leading campaigners for a better deal for workers. This type of unethical corporate behaviour was again on display during the economic downturn, and it must stop.

"The GEERS scheme was never more than a stop-gap response with major flaws that was originally designed to dig John Howard's brother out of a hole. The Protecting Workers Entitlements package announced by the Labor Government today will be welcomed whole-heartedly by workers and unions. It means that workers will receive a guarantee of full redundancy pay up to four weeks for every year of service, a vast improvement on GEERS, which was capped at 16 weeks.

"The changes to information about and enforcement of superannuation payments along with new powers for ASIC will act as a kind of early warning system which should allow authorities to step in to prevent directors from stealing worker entitlements before it's too late.

"Importantly, the Government intends to crack down on the dubious practice of phoenix companies, where directors shift assets to a new company to avoid their obligations. This must be backed by strong and harsh penalties for company directors who engage in such practices."

Ms Kearney said the Liberals could not be trusted with the job and income security of working Australians. They cannot be trusted on WorkChoices and the Liberals forfeited any credibility with their opposition to the economic stimulus package that saved more than 200,000 jobs during the GFC.

"If they Coalition had its way, thousands of Australian companies would have collapsed and unemployment would have gone through the roof."

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