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New legislation ensures company insolvency won't cost workers their entitlements

The ACTU has today welcomed new legislation that will increase the protection for workers who lose their entitlements when companies go under.

ACTU Secretary Dave Oliver said that unions had been campaigning to make sure that the improvements to protect workers' entitlements like redundancy pay, annual leave and long service leave the Government had previously introduced were guaranteed in legislation.

The new legislation was introduced to the Federal Parliament today.

"When companies go bust, many workers miss out on payments they are legally entitled to," Mr Oliver said.

"Workers often have little or no say during bankruptcy proceedings, and end up losing their entitlements through no fault of their own.

"This bill closes the gaps and ensures that redundancy entitlements are paid up to four weeks per year of service.

Under the new legislation, employees will be protected if their employer is subject to deed of company arrangements, or equivalent bankruptcy proceedings.

Mr Oliver said the Bill contained safeguards which ensure the system can only be used in cases of genuine insolvency.

"The Gillard Government has shown that it understands the concerns of workers, who rely on these entitlements to pay their mortgages and support their families if their employer fails."

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