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## Unions welcome Labor Government's delivery of improvements to redundancy payments for workers

The entitlements of working Australians who are too often left shortchanged by company collapses will be more secure following the Labor Government's delivery of its election commitment to improve the GEERS scheme, say unions.

Unions welcome today's announcement that changes to the General Employee Entitlements and Redundancy Scheme will come into effect at the start of next year.

The removal of a cap on redundancy payments will mean that almost every worker will receive their redundancy entitlements in full in cases where their employer went out of business without having made provisions.

ACTU President Ged Kearney said this would be a vast improvement on the GEERS scheme established by the Howard Government, which had capped redundancy payments at 16 weeks.

The changes will guarantee redundancy pay of up to four weeks wages for every year of service. It will also guarantee all annual leave, all long service leave and up to three months of unpaid wages.

"The Global Financial Crisis highlighted shortcomings of GEERS, which was nothing more than a stop-gap scheme with major flaws.

"Thousands of Australian workers lost their job during the GFC and were left high and dry without their full entitlements.

"Unions have campaigned long and hard to improve this scheme because all workers should receive a redundancy payment based on how long they have served.

"It is pleasing to see the Labor Government follow through on its election promise to improve GEERS, and we look forward to it delivering the rest of its Fair Entitlements Guarantee, including a crackdown on phoenix companies, where directors shift assets to avoid their obligations to employees."

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