

Tuesday, 6 October 2020

Test of budget to come: will jobs be saved and secure jobs created?

The test of this budget is whether current jobs are protected, and whether it delivers secure jobs fast to protect workers from the economic impact of the pandemic.

Unfortunately, the Government has set itself to fail this test and it admits it in the budget papers. The Treasurer says that successfully moving us through the crisis means getting unemployment comfortably under 6 per cent, yet he forecasts unemployment to peak at 8 per cent and stay at 6.5 per cent right through to 2022.

Spending announcements alone are not enough to pull us out of recession, we have to make sure the money goes where it will have the biggest impact – to workers.

This big spending budget will mean nothing if it does not result in more secure jobs, better pay meaning more spending and stronger rights for working people who have carried our country through the pandemic, often without the support they needed.

Yet over the four years of the forward estimates, the budget projects 10 per cent real GDP growth and zero per cent wage growth. That tells you everything you need to know about the Government's plans for the workers who carried us through the pandemic – you can't heal the economy by hurting workers.

The focus on wage subsidies, training and infrastructure spending is critical, but if it does not deliver money to workers directly, secure jobs for women as well as men, for the regions as well as cities, in the public as well as the private sector, and for older workers as well as the young, then the opportunity for a more resilient, fairer and stronger Australia will be missed.

Public money that supports businesses must be accompanied by strong safeguards to ensure that the money is not rorted and ends up in the hands of workers who need it – and will spend it.

Quotes attributable to ACTU President Michele O'Neil:

"There are close to 1 million Australians out of work and another 1.5 million looking for more work, and many more wondering if their jobs are going to be safe as unemployment grows. Meanwhile many small businesses are teetering on the edge.

"The question for the Federal Government is will working Australians wake up tomorrow morning safer and more secure?"

"Unfortunately, the Government has set itself to fail this test with its own numbers saying unemployment will rise to 8 per cent and stay at a devastating 6.5 per cent until 2022, even while the economy is projected to grow.

"The Government's decision to spend is welcome but will be meaningless if money does not end up in the pockets of workers. It is working people with the confidence to spend who will restart the economy.

"The programs and projects delivered must create secure jobs across the economy, and for the people hit hardest by the pandemic, to give them confidence to drive us out of recession.

"We do welcome a wage subsidy scheme and training and apprenticeships for young workers but the money must flow to workers, and we need safeguards to prevent businesses using government investment to increase executive pay, bonuses, or pay offs to shareholders.

“An important measure of this budget is yet to come in the Government’s approach to worker’s rights and conditions. The economic recovery will hinge on whether some in the business lobby get their way and we see IR changes that cut workers’ pay and erode right and conditions.

“There is a real missed opportunity to pick up ideas like free childcare to give women the best chance to get back to work and supporting our TAFE system which were highlighted in our National Economic Reconstruction Plan.

“We are also concerned about the tax cuts and believe that investment in services and public programs are a better long- term investment than individual tax cuts.

“A tax cut does nothing for you if you don’t have a job.

“We will continue to fight to ensure that taxpayers’ money spent in this budget accelerates the recovery and delivers more secure jobs for working people who have sacrificed so much to get the country through this crisis.”

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