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ACTU calls for 'Leave Bank' modelled on Industry Super to secure leave entitlements

The ACTU has called for a Leave Bank to be established as a way of increasing workforce flexibility and strengthening leave entitlements.

Under the proposal, employee leave would be paid into an account modelled on industry superannuation funds, meaning leave would be portable from one employer to another – including for casuals and contractors.

A Leave Bank would also mean employee entitlements would not be held by employers, but held in trust for the employee, meaning workers' leave would be safe when companies go offshore or cry poor, as in the case of Clive Palmer's nickel business.

ACTU Secretary Dave Oliver said the proposal should form part of a wider policy addressing insecure work and the rise of employment practices designed to strip workers of their employment leave entitlements.

"An innovation economy cannot be built on the back of increasingly insecure employment arrangements – the opposite approach is required.

"We should develop policy that creates a secure employment environment, enabling them to be confident taking risks and pursuing the right employment opportunities.

The ACTU's Leave Bank proposal is based on a new report by Deakin University Professor Andrew Scott, commissioned by the ACTU.

"Strengthening leave entitlements for workers who move between different jobs is a crucial component of creating greater financial security for more people in Australia, so as to enable their greater agility," Mr Scott said.

The report says a majority of all casual employees in Australia are now 'permanent casuals' who have the responsibilities of permanent employees but only the rights of temporary workers, including no right to annual or sick leave.

It cites ABS statistics that over half of all casuals have been in the same role for more than a year; and 15 per cent for more than three years.

"These are not temporary employees," Mr Oliver said. "They are in permanent positions, but the boss knows they save on leave entitlements and other benefits by keeping them in short term casual contract roles."

"Flexibility needs to cut both ways. A great way to increase flexibility in the workplace is the establishment of a Leave Bank which all workers would carry with them wherever they work."

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