

# FINANCIAL SURVIVAL GUIDE

## I'm worried about my job

As large and small businesses around the country cut costs to survive the economic downturn, thousands of people in Australia may lose their jobs. And we're better off than people in many other countries. If you hold onto your job through this tough patch, you may still have to cope with having your hours cut back and therefore getting less pay.

What steps should you take if you're worried about the security of your job or cut-backs? What can you do to make sure you can still cope financially through these difficult times?



### STEP 1: Check where you stand

---

Some employers will make temporary changes during the downturn, such as reducing your hours or cutting back to a four-day week, as a way to avoid redundancies and retrenchments. If there's talk of this happening at your workplace, it's important to keep on top of things so you can take action if you need to.

#### Know your rights

Most employers care about their staff and do their very best to avoid redundancies and retrenchments. So if you're worried about job security, talk to your boss or contact your Human Resources manager. They are well-placed to advise you about any changes that may need to be made because of the downturn.

Your employer will have to follow certain rules if they want to make changes to your job, make positions redundant or retrench employees. The Commonwealth Government's [Australian Workplace](#) website includes useful information about:

- your [entitlements](#)
- how to deal with issues that arise in the [workplace](#).

You can also call the Workplace Info Line on 1300 363 264.

The rules that apply in your situation will depend on whether you are covered by an award, workplace agreement or individual contract. The [Australian Workplace Authority](#) has information about [pay and conditions and workplace agreements](#).

If you think you're being treated unfairly, you can contact the Workplace Ombudsman for more information about your rights or to [lodge a complaint](#). You can also lodge a claim if you believe you haven't received correct wages and conditions and you're employed by a company or under a federal award.

If you belong to a union, it can also provide advice and representation. [Unions Australia](#) has a [helpline](#) where you can post your questions online or call 1300 486 466.

#### CASE STUDY: Must I take my annual leave?

Jasmine works for a major hotel chain. Her boss has been asking her when she plans to take her annual leave.

'I told them I'll be using it later in the year for family commitments and work experience,' says Jasmine. 'This will take up all the accrued hours but recently I received a letter saying I have to take leave in a specific week quite soon because of low occupancy in the hotel.'

Many employers are currently asking their workers to take accrued leave as a way of coping with current low levels of activity. Jasmine was unsure of her rights so she consulted [Unions Australia and the Workplace Authority](#).

She soon found out there are only two situations when an employer can direct you to take annual leave: in a shutdown or if you have accumulated a large annual leave balance. If you work a 38-hour week, a large balance would be the equivalent of eight weeks leave accumulated over a two-year period and you can only be asked to take a quarter of your balance.

## Work out your exact financial situation

Be realistic about how reduced hours or temporary unemployment would affect your finances. Start by looking at how much cash you currently have in the bank and then list every expense you'll have to meet for the next few months.

Use a [budget planner](#) to make sure you don't overlook any expenses.

Then calculate how much money you will earn over the same period of time if your hours of work are reduced. Does your new income cover all your expenses or will there be a shortfall? You'll also need to do this exercise if you're retrenched or made redundant and may have a period of weeks or months with little income.

- ☑ Steps to take if you're currently facing [redundancy or retrenchment](#).
- ☑ More tips on [looking at your financial situation](#).

## STEP 2: Prepare for uncertainty

---

If you're worried about your job, you'll have to cope with uncertainty in all directions. If circumstances change, most people won't know how long the reduced hours or the unemployment will last. The best protection is to start taking action now, and not wait until you're forced into a corner.

### Look after your health

The prospect of surviving on less money and worrying about whether you might lose your job can be stressful. Make sure you look after your [physical and emotional health](#) as well as your finances.

#### **CASE STUDY: What if my company's being restructured?**

Dianne is 60. She's been working in the same job for the same company in regional NSW for the past 15 years. Now, because of the global recession, the company is restructuring and she's been told her job will disappear. Five new positions have been created and will be offered to existing employees before they're advertised to the public. Dianne is applying for one but she knows there are seven applicants so two people will miss out.

'Fortunately the company is doing everything it can to look after its workers. If I miss out on one of those positions, they'll try to find me a job at another site. If that doesn't work, they'll offer me redundancy,' says Dianne.

'I'm applying for jobs with other companies in case I miss out but I don't want to change employers at this point in my working life. I think I've put in a good application but it is stressful.'

Dianne has been around long enough to know she needs to get her financial affairs in good shape in case she does end up unemployed. She's temporarily cut back her personal contributions to super and is channelling that money into a high-interest internet savings account instead.


'It may sound silly but I'm also stocking the kitchen pantry and cutting back on things like clothes and weekend trips, just in case I need the extra cash. I've also checked out my long service leave and redundancy entitlements but I'm not ready to retire yet so I've got my fingers crossed.'

### Adjust your spending

Start building up a financial buffer in case you do lose your job or your income is cut back. Stop buying things on credit and pay off your credit card every month. Build up an emergency cash reserve in a savings account. Like Dianne, consider scaling back your voluntary superannuation contributions to build up your cash reserves.

Bite the bullet and change your [spending habits](#) as quickly as possible.

### Find extra income

Contact [Centrelink](#)  to find out what government assistance you may be entitled to. This may be the first time you've had to deal with Centrelink. Staff are trained to treat customers with compassion so make contact as soon as possible to discuss your individual circumstances.

Centrelink has a Financial Information Service (FIS) and social workers available at no cost, whether you're eligible for benefits or not. FIS runs free seminars on retrenchment and financial issues and offers face-to-face interviews so you can find out about your options. See the guide to [Centrelink payments and services](#).

Existing payments you already receive, like Family Tax Benefit, might increase if your income is suddenly lower. The [Family Assistance Office](#) can give you information about, and help you to change your income estimates for, Family Tax Benefit Parts A and B as well as providing information about payments you may be eligible for under the government's Economic Security Strategy and Household Stimulus Package, if you haven't already received them.

Depending on your earnings for the 2007–2008 tax year, you may be entitled to a payment under the Australian Government's tax bonus. You must have paid tax in 2007–2008 to be eligible (you have until 30 June 2008 to lodge your tax return). Visit your local tax office, go to the [Australian Tax Office](#) (ATO) website or phone 1300 686 636 for help.

Another potential source of income is temporary or casual work to provide a stop-gap until your usual job picks up again or you find a new one. Put your name down with temping agencies, ask family and friends and ask local businesses if they have vacancies.

## Changes are coming

From 1 January 2010, the new [National Employment Standards](#) (NES) will come into effect, including minimum redundancy entitlements. The NES will cover hours or work, leave entitlements and termination and redundancy rules.

## STEP 3: Plan for the future

---

When the economy picks up again, you may get your old hours back (if you've been asked to cut back). But other changes may be permanent. That means you may have to look for different ways to increase your income and new ways to organise your finances.

### Reinvent your career

Just because unemployment is higher than it has been for some time doesn't mean you shouldn't look for a new job or pick up new skills. Do some research to find out how you can [gain skills](#) that will increase your chances of finding a better job. Look at opportunities such as training and study, work experience, volunteering and community work.

Think outside the square. For example, [Australian apprenticeships](#) are open to anyone of working age and don't require entry qualifications. You don't have to be a school leaver. Opportunities are available if you are re-entering the workforce or want to change careers.

There are many other [vocational education and training](#) opportunities to help you upgrade your skills or retrain for a new job.

If you think you have business skills and a viable idea for a new business, there are [government programs and resources](#) available that can help.

### Get specialist help


If you belong to an industry sector that has been hard hit by the global downturn, specialist help may be available.

For example, there is an [Automotive Industry Structural Adjustment Program](#) (AISAP) to support workers made redundant from the automotive manufacturing industry after 1 November 2008.

[Individual unions](#) are also offering careers support for people affected by the recession. The [Finance Sector Union](#), for example, has a special careers support service to help members secure new jobs including career information services, resume services, discount education courses and online job search.

## **Keep your finances under control**

Review your budget and think about ways to further [strengthen your financial position](#).

Use a [budget planner](#)  to make sure you're continuing to live within your means.

## **Plan for your financial future**

Think about your [longer-term financial needs and objectives](#).

Gather as much independent information as you can to make informed long-term financial decisions. Start with a free copy of our booklet [Your Money](#).