

Employment Leader lays into Newman Government job cuts

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Former Head of Drake in Australia and Chairman of the Sustain Group has this morning warned Queensland's Newman Government that job cuts and a restructuring of the resources royalties percentages may very well reduce the Governments debt, but it will not provide the medium to long term call to arms for private sector job creation. Mr Tukaki further revealed that as it stood the unemployment rate in Queensland would rise in the coming months as the redundancies and retrenchments were felt across the State Economy.

Speaking at a client business forum this morning Mr. Tukaki said:

"It is absurd to suggest that because the original intent was to cut 20,000 jobs from the public service with the final figure being 14,000 that the State Government has somehow saved 6,000 jobs. The reality is we will see an impact on frontline services in a kind of trickle down effect whereby management and back office roles may have gone, but the work itself remains. Trickle down will occur as more and more people in frontline roles will have to pick this additional work up thereby defocusing them from the very job they are charged with performing." Mr Tukaki said

"In addition, we will also see the continued casualization of the workforce that will continue to add more pressure to the home finances and budgets. It is unlikely that a significant amount of new private sector jobs will be created in Queensland over the next 12 months which will mean many people may be forced to take up casual or part time work that does not cover the overall bills coming into the home." Mr Tukaki said

"I am equally concerned that with an increase from 10 to 12.5% on royalties in the coal sector that mines and operations that were border line are now well over the mark of profitability so I would expect miners to pull back on investments and see many of the older mines begin to close. Of course the area that no one takes account of is again trickle down impacts in the supply chain of those mines and communities. Many of the services and much of the labour used by regional mines comes from the local community – trickle down will occur as jobs are lost in small businesses that sit at the heart and soul of regional communities across Queensland." Mr Tukaki said

"The Newman Government have not inherited the same pain as was the case with Kennett in Victoria. The environment is different and the bottom line of the State's finances are much better than what Kennett found – the Newman Government can just as easily be one term if they do not see the longer view and all of the various impacts that will happen both socially and economically. The thing to watch is whether or not many retrenched roles are not ultimately replaced with pools of consultants and contractors." Tukaki said

Mr Tukaki also sounded a warning to the employment services and recruitment sector that times would be tough in Queensland and they themselves needed to look at diversifying their business models if they were going to stay in business:

“The game is afoot and I can see a time in Queensland over the next 12 months where there is consolidation in the employment and recruitment services sector – the fact is, if no jobs are being created in volume then permanent placements can be down by up to 50% while casual and temporary work placements could also be impacted as employers push for tighter margins. With the closure of mines the other reality is that fly in fly out workforces will be reduced thereby taking away what has, up until now, been a very profitable business indeed.” Tukaki said.

About Matthew Tukaki and for commentary

- ≥ Matthew Tukaki is CEO and Chairman of the Sustain Group, Australian Representative to the United Nations Global Compact (representing Australian business when it comes to Labour, Human Rights, Anti-Corruption and the Environment) and a Director of the Boards of Suicide Prevention Australia and the Australian Indigenous Chamber of Commerce. Tukaki is the former head of Australia’s largest and oldest employment companies, Drake Australia
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