

Business leader warns jobs services providers to prepare for market contraction, calls on the Government to provide more funding to address the problems of long term unemployed and has called into question the place of for profit providers in the Job Services Australia sector

Providing the keynote address on the opening day of the National Jobs Australia conference in Brisbane last week, Matthew Tukaki, considered one of Australia's most influential employment experts, has provided a detailed overview of the national employment market, the industries that will rise and contract, the locations where jobs will be created and the overall "State of the Australian Employment Nation."

- **For a copy of the full speech and accompanying PowerPoint presentation entitled "State of the Employment Nation" send a request to media@sustainingroup.net**

Key points:

- 1. Jobs growth in the mining, construction, aged care and agriculture sectors**
- 2. Further contraction in manufacturing and retail trade:** questioning the business models of the large retail chains in the face of increased competition from online providers and the need for manufacturing to innovate in light of increased input costs and low labour costs in foreign markets
- 3. Poured scorn on the predictions of high job cuts as a result of the carbon price legislation, indicating that there would be additional job creation**
- 4. Confirmed more pressure on Job Services Australia providers as a result of red tape and administration**
- 5. Called on more funding** to address the increasing problem of the longer term unemployed / saying: "Australians needed a reality check that some people just will never work"
- 6. Called into question whether for profit organisations had a place in the sector** looking after jobs and employment opportunities for the unemployed
- 7. Called predictions that the IT sector was suffering skill shortages "complete nonsense"**

For immediate release:

In a broad ranging opening address at the National Jobs Australia conference held in Brisbane recently, CEO of the Sustain Group, former Head of Drake and Australia's current Representative to the United Nations Global Compact, Matthew Tukaki indicated that while the Australian economy was strong and the unemployment rate would like come down over the course 2012, he remained concerned at the picture being painted around the Australian employment landscape:

On Jobs growth in the mining, construction, aged care and agriculture sectors: *"There are a number of industries that will experience significant jobs growth over the course of this next 12 to 24 months and all of them for different reasons. The mining sector will grow and we can see that in the BHP announcement this week around Olympic dam where more than 10,000 direct jobs will be created. What is little known is the number of indirect jobs that will also be created and we can estimate what those jobs could be and where in which sector they will be (see diagram of the jobs supply chain in the PowerPoint presentation which is available on request) and in which locations. In the supply chain we are talking about jobs created around OH&S, consulting services and project management, retail goods, components and equipment. For example 2,000 people fly in and out once per month will require return tickets which is = to 24,000 seats is nearly 112 flights in and out – 2 pilots, ground crew and cabin crew – admin and booking staff. Then we have the aged care sector where our population is aging and more and more people are shifting to coastal centres such as the Central Coast and the Gold Coast – this will see an increase in demand for workers connected or related to aged care from health and community workers to dare I say funeral home workers."*

*“In the agriculture sector we will see a pickup in demand for workers due to an increase in production and a pick up demand from overseas markets. This will mean more demand for pickers and labourers, admin staff and transport and logistics people. **But, beware, the jobs being created are not in the major capital cities**, they are in the regions such as the far North of Queensland, the Northern Territory, WA and South Australia. Nowhere on this presentation slide do any of you see an increase in meaningful jobs capacity in our capital cities.” Mr Tukaki said*

Further contraction in manufacturing and retail trade, on the predictions of high job cuts as a result of the carbon price legislation, indicating that there would be additional job creation and skills shortages in IT

*“**There is no doubt that the manufacturing sector is in trouble**, but we need to be clear that it is in trouble not because of a price on carbon, although there will be some impacts, the fact is it just costs less in terms of labour to manufacture goods in China than it does here. How can you compete when some Chinese steel mills pay workers as little as \$100 per month as opposed to say \$85,000 a year to an Australian worker? We need to learn the lessons of Japan and South Korea who went from simple manufacturers to innovative primary production manufacturers. The fact is Manufacturing employs more than 1 million workers – we need to find ways of innovating to protect one of the key elements of the Australian economy.” And **“The retail trade sector is also under pressure** and they need to understand that put simply, their business models are old and tired and the customer service experience just will not save them. The fact is consumer behaviour has been shifting for some time and the increase in our use of our mobile devices and the way we live our lives began a wholesale change five years ago. Gerry Harvey and others can scream as much as they like for the introduction of GST on goods bought online but the problem is not being confronted in that the business models we once knew we know no more.” Mr Tukaki said*

On the claims from recruitment companies in respect of IT Skills Shortages: *“What complete nonsense. Who publishes these surveys and who then turns around and states that as a result of a skills shortage there is going to be an increase in wage demand. Let me be clear: there is no skills shortage in the IT sector and recruitment companies who make these claims should be very careful – if we had a skills shortage we would not have a taxi fleet in Sydney or Melbourne.” Mr Tukaki said*

On claims of massive job losses as a result of carbon pricing: *“Let me use, as an example, figures by some in the coal industry who state that tens of thousands of jobs will be lost – what they are actually talking about are the jobs that have not yet been created being lost – how can you lose something that doesn’t currently exist? The reality is, if we have investment in renewables and we invest in innovation we will see a series of new jobs being created, and there will be transition of some current roles into new roles – but, henny penny the sky is not falling in.” Mr Tukaki said*

On: Confirmed more pressure on Job Services Australia providers as a result of red tape and administration and Called on more funding to address the increasing problem of the longer term unemployed and **Called into question whether for profit organisations had a place in the sector** looking after jobs and employment opportunities for the unemployed:

“After meeting with various providers, delegations from community groups and listening to the narratives of a great number of providers, the fact is there is just too much red tape. Yes the Government should provide oversight but we need to ask ourselves the question if the red tape and administrative burden on providers has grown far too large. Why are there so many separate funding mechanisms and the appearance of program after program that resembles one that was already in place but has been replaced? The other fact is there is just not enough money being invested into the very real root causes of long term unemployment and providers are expected to do more for less. For example is \$1,000 really enough to work with someone intensively? We also need a reality check that as unemployment hits at about 3.5 to 4% those who remain will be the very people who may never ever get a job because of disability, mental illness, incarceration – so in dealing with these citizens we need to take a new approach and innovate around our strategy for the longer term unemployed.” Mr Tukaki said

“I also call into question the role of the for profit sector in Jobs Services Australia contracts and I think we need to understand that some of the motivating factors are around pure profit and not necessarily the very real issues involved. I do not believe the for profit sector necessarily has a place and this is something the Government needs to consider.” Mr Tukaki said

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About the Sustain Group:

The Sustain Group is a business that strives to work with other industry, Government and the community to transform towards a more sustainable future. As an organisation we recognise that climate change, the environment and corporate social investment can confuse people when it comes to translating a desire to change to real outcomes and outputs. At The Sustain Group we provide a range of services and programs from sustainability recruitment and learning, through to consulting and research. On the technology front, we work to provide products that are innovative and forward thinking. Our primary goal is to provide our clients with tangible outcomes, not just advice. Our consulting division works in partnership with some of the worlds most respected institutions on everything from the calculation of an organisations carbon output, through to research and development.

About Matthew Tukaki:

Matthew Tukaki is the current Australian Network Representative to the United Nations Global Compact and represents business and industry when it comes to Human Rights, the Environment, Anti-Corruption and Labour. Matthew was elected as the Local Network Representative at the Inaugural Annual Meeting of the Global Compact Network Australia on 4 June 2010. Since this time Matthew has at the invitation of the board of directors of the Global Compact Network Australia attended the meetings of directors and has actively led planning activities for the Australian Network. He is also a member of the Global Working Group on Governance. Matthew is also the Public Office of the UNGCNA and its Company Secretary. From a business perspective Matthew is currently the CEO of the Sustain Group, a Sydney based corporation with a primary focus on business transformation, education development and employment. Prior to joining the Sustain Group, Matthew was the Head of Drake Australia. As one of the Australia’s best known corporate brands, Matthew led the business through the heights of the Global Financial Crisis where he was responsible for maintaining growth and profitability. Matthew is a current Director on the Board of Suicide Prevention Australia (one of Australia’s Peak Mental Health Bodies), Chairman of the Living Earth Initiative, (a project seeking to increase the visibility of backyard ecology in Australian homes) and former Chairman of both the Chief Information Officers Council and the Government Policy Advisory Panel.

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