

INFLATION STEADY / HOUSEHOLD INCOME PRESSURE AND UNDEREMPLOYMENT LOOM LARGE

Australians face increasing income and cost of living pressures

Inflation steady but pressure on household income should be of significant concern / employers need to be careful / underemployment looms large

Matthew

Tukaki, who led the nations oldest and largest employment company through the worst of the Global Financial Crisis (Drake Australia) has said today's inflation figures are a stronger than ever signal that cost of living pressures have begun to bite across Australian households and further re-iterated that underemployment was a danger to the economy and the community. Tukaki, who is now the CEO of business sustainability organisation SansGov has previously warned that underemployment would lead to lower consumer spending and a reduction in consumption of household necessities such as power and phones:

Even though

I said time and time again last year the recession and financial crisis would largely be less of an impact on Australia than other developed countries, it was largely due to a change in how we managed our workforce. While employers were not laying off large numbers of people, they were diversifying the workforce, cutting back on hours and, in some cases, reducing salaries. In my own case, I took a \$30,000 salary reduction. It was partly to do with employers being unsure as to the actual impacts of the GFC and also the knowledge that by laying off and then re-employing a few months or even a year later, this would lead to higher costs, not necessarily cost savings Mr Tukaki said

This of

course has led to a decline in consumer spending. We can see that in flat retail figures and even cuts in the amount being spent on phones and power. Spending on food is down and new credit card applications have also fallen what we are seeing is twofold the first being Australians are measuring every dollar and cent. The second is we possibly still have a large number of people who are still on reduced hours, still not returned to full time wages or and this is the difficult, having started 2009 on a full time, permanent position, now working casually or part time. Mr Tukaki said

The danger

this has is any increase in interest rates or the cost of living will simply add to the pressures on households which, in turn, can have a disastrous impact as those pressures play out in family and home life. While the Reserve Bank may not increase rates, the major banks have done so anyway and we need to be very careful what the impacts of a rate rise could be. Mr Tukaki said

In January,

as the economy was clearly on the path to recovery, employers had the first chance to return people to normal hours or working conditions. We need to be careful not to take advantage of a workforce dynamic that should only have been intended to get us through the worst of a recession not as an ongoing way to maximise productivity through lower labour costs Mr Tukaki said

Mr. Tukaki

will be focussing on the recovery of the Australian economy and the employment market in a speech he will be making at the Recruitment Industries annual conference being held in Hobart, Tasmania, next month.

About

SansGov:SansGov

was formed in 2001 as a knowledge and information management consultancy. In 2003 it added business transformation and change management to its scope of services and in 2009 the business introduced a sustainability practice. SansGov has been behind a range of significant reviews including the review of information management at the Joint House Department of the Parliament of Australia and the Australian Communications Authority. Matthew Tukaki is the CEO of SansGov>About

Matthew Tukaki:Matthew

Tukaki is CEO of SansGov and is the former Head of Drake Australia, the nations oldest and largest employment company. In addition to leading Drake in Australia, Matthew was also responsible for the business in Asia and was the companies power of attorney. Matthew is also the former Chairman of the WorkWise groups executive committee and on the 1st of July 2010 assumed the role as Australias representative to the United Nations Global Compact (www.unglobalcompact.com)

. The UNGC is the worlds largest business and industry led corporate social responsibility program with some 7,000 members worldwide.For comment:

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