

Time to rev up, not close down, says jobs entrepreneur

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DESPITE having lost millions of dollars in Federal Government Job Network contracts, entrepreneur Sarina Russo has no intentions of closing down her offices or laying off staff.

After more than 30 years in the employment business, she believes there will be plenty of scope in a recession to make money while helping people find jobs or get retrained.

"We'll be revving up, not closing down," she said.

As the fallout from the controversial Job Network tender continues, it appears claims of 2000 job losses may be overstated. The biggest single winner from the shake-out, the US firm MaxEmployment, is already advertising for 400 staff.

David Thompson, chief executive of Jobs Australia, the national body for the not-for-profit sector, said the shake-up would produce a lot of dislocation but "net job losses will not be so high".

Lisa Fowkes, chief executive of Job Futures, a network that lost contracts in Victoria and Tasmania, said overall job numbers in the industry would bounce back. "The big risk is that a lot of good people will exit.

They'd worked hard to get their agency's performance top-notch and lost contracts," she said. "They won't work for anyone else. They can't do it any more. It's too heartbreaking."

Sarina Russo Job Access lost contracts for 11 areas in Brisbane and south-east Queensland, about 30 per cent of its national market share. But Ms Russo, who started her business as a typing school in 1979, said she had no intentions of letting competitors snare her staff or her valuable real estate assets. Some of her offices are adjacent to Centrelink. But Centrelink will not be able to direct the unemployed to offices without a government contract.

Ms Russo believes the Job Network winners will subcontract her to provide retraining, education and other services to the burgeoning numbers of unemployed people, and claims a NSW church organisation that "can't handle the magnitude of work it's been given" has already approached her.

As well, she thinks there will be plenty of newly-unemployed people walking in off the street. She believes she can draw on her long relationship with employers to convince them to pay a staff

recruitment fee. Ms Russo says under Labor's system, the newly-unemployed will get short shrift from contracted agencies who stand to get much higher federal payments for placement of long-term unemployed.

"People can choose us or the competition," she says.

While the ebullient Ms Russo sees opportunities in the upheaval, others are not so sure survival for non-contracted offices will be easy. "It's a laudable objective and it will be interesting to see whether it proves viable in the absence of millions of dollars of employment service funds," Mr Thompson said.



Upbeat ... Sarina Russo.