

Australia: Country Report

Asia Pacific Federation of Human Resource Management (APFHRM)

Manila Meeting, Philippines

5 April 2017

1. Current economic and political situation in the country

Economy and labour market situation

The Australian Gross Domestic Product (GDP) showed a quarterly change of 1.1 per cent for the December 2016 quarter. The Australian resident population was estimated at 24,408,379 for the quarter, with average weekly earnings at A\$1,533.10 in November 2016, according to Australian Bureau of Statistics figures. The consumer price index in the December quarter 2016 rose 1.5 per cent.

Australia's seasonally adjusted unemployment rate increased to 5.8 per cent in February 2017, with 11,600 jobs created. Unemployment increased 5,200 to 738,900. The number of people employed was 12,005,100 in August 2016. Monthly hours worked increased 1.2 million hours to 1.661.9 million hours.

The ABS reported a labour force participation rate that remained steady at 64.6 per cent.

Political situation

Since the Liberal National Party Coalition Government under Prime Minister Malcolm Turnbull was reinstalled at the July 2016 election, the Government has legislated the industrial relations change that triggered the election, with support from cross-bench senators. It created the Australian Building and Construction Commission in November 2016 to police illegal activity in the construction industry.

Achievements of the Turnbull Government include setting out a science and innovation agenda, and a Defence White Paper. The Government has been dogged by scandals around political donations and ministerial entitlements, and has called a Royal Commission into juvenile detention in the north of the country following an exposé on the Australian Broadcasting Corporation.

Sections within the Government backbench have made life difficult for the Prime Minister, who partly satisfied them by initiating an inquiry into the Racial Discrimination Act which has recommended changes that the PM says make the Act stronger, but his opponents say has opened the door to hate speech on matters of ethnicity and race.

The independent Fair Work Commission handed down a decision that reduced penalty rates for workers in the hospitality and retail sectors who work on Sundays. The Government has applauded the decision on the basis that it will open up job opportunities for businesses that will now operate on Sundays, while its opponents say it is cutting the incomes of employees already on low wages.

The election of Donald Trump in the US has largely negated the successful Australian signing of the Trans-Pacific Trade Agreement, and has also put in doubt whether the Obama agreement to take refugees in Detention on Manus Island and Nauru will be honoured, and in the process drawn the ire of the new US President during a highly-publicised phone call with Malcolm Turnbull.

The rising national deficit and a proposed corporate tax cuts continue to be issues as the Government works towards its 2017 May Budget.

2. HR challenges

The main challenges facing the HR profession in Australia at present are:

- Talent management: This remains a recurring priority for Australian businesses and their HR practitioners as they look for ways to boost their competitive edge through their people.
- Business confidence: The economic uncertainties created by the election of Donald Trump in the US and the Brexit vote in the UK flow into business confidence during 2017, with the potential in the short term at least to look at cutting costs rather than boosting investment. That will involve a number of challenges for HR.
- Workforce participation: This remains a key area of activity for HR departments, as it is linked to government priorities to reduce the budget impact of welfare dependency and to maximise the proportion of Australians who are in the

workforce and paying tax rather than drawing on pensions and other welfare entitlements. Areas affected include the employment of younger and older Australians, people with disability, indigenous Australians, and parents returning to work.

- Technology: Developments in thinking on robotics and artificial intelligence technologies that threaten the jobs of people continue to affect the momentum for HR to positively engage the workforce and contribute towards innovation that includes human beings working in concert with technological advances for the competitiveness and sustainability of business.

3. AHRI projects and initiatives

Major areas of AHRI activity include the following:

- AHRI's certification initiative has resulted in three cohorts of candidates being HR certified by the National Certification Council, the first in February 2016 and the third in April 2017. The communication campaign around certification has now moved into a phase in which AHRI is talking to employers about certified members. It is augmented by billboards in major capital city locations, mainstream media placements, and a LinkedIn campaign. It is also the main subject of keynote speeches given at member events and wider professional and public events at which AHRI is invited to speak.
- The 2017 AHRI National Convention scheduled for the new Sydney International Convention Centre in August will feature confirmed speakers of the order of Erica Dhawan, Robert French, Matt Wallaert, Tomas Chamorro, Rachel Botsman, Dave Ulrich, Susan Entwistle, Andrew Meikle, and Chris Riddell.
- AHRI enjoyed strong application numbers for the 2016 AHRI Awards and the AHRI Diversity and Inclusion Awards. Winners were announced at a well-attended black-tie dinner in Melbourne during December 2016. Awards applications for 2017 are open and close on 17 May.
- AHRI is about to publish research reports on a member survey about Ethics and Business in association with an Australian accountant association, CPA Australia. A report on a survey of members about Inclusion and Diversity issues was published in January 2017, and a survey of members is now being conducted on Workplace Domestic Violence and HR.
- In its 10th year, the AHRI Mentoring Program attracted a wide range of HR practitioners. More than 600 mentor and mentee participants are engaged following the first 2017 intake. They include mentors nominating their time from offshore locations in Dubai, Singapore, Kuala Lumpur, and London, with pairs finally matched during March. A second 2017 intake is scheduled for October.

4. Scheduled conferences

- A series of AHRI State Conferences are in progress, the first two being held during March in Darwin and Perth, and others to follow in May (Adelaide) and October (Newcastle and Brisbane).
- The 2017 AHRI Inclusion and Diversity Conference will be held on 1 May in Sydney.
- Tara Moss spoke at International Women's Day breakfast events in Melbourne, Sydney and Brisbane during March.

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