

Australia: Country Report

Asia Pacific Federation of Human Resource Management (APFHRM)

Dhaka, Bangladesh Meeting

April 2018

Executive summary

Background issues affecting the Australian economic and political landscape include proposed corporate tax cuts and debate around renewables and coal with respect to providing market certainty on energy policy. Into that mix are issues around low wages growth and skilled migration. The Trans-Pacific Partnership has come on and off the trade agenda in accordance with the capricious policy positions of US president Donald Trump, and has complicated the diplomacy with China as a trading partner.

Australia's political leadership looks relatively stable despite a scandal that saw the Deputy Prime Minister replaced and the Prime Minister losing 30 successive national news polls, the benchmark he used to replace his predecessor. Australia is voting for Prince Charles to lead the Commonwealth at the Heads of Commonwealth meeting in April.

HR issues include workplace harassment, technology and the future of work, changes to the skilled migration arrangements, and talent management. AHRI made a submission to a Senate Inquiry on the Future of Work and Workers during February, opened entries for our 2018 awards, and secured some strong keynote speakers for the 2018 national convention, including Herminia Ibarra, Lynda Gratton and Charles Handy. Immediate research projects are scheduled on topics that include turnover and retention, skilled migration and age discrimination.

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 0.6 per cent since December 2017. The Australian resident population was estimated at 24,702, 900 as at September 2017, an increase of 395,600 since the same time in 2016. Net overseas

migration for the year ended 30 September 2017 was 250,100, or 33,400 people higher than the net migration for the previous year.

Average adult full time weekly earnings in the 12 months to November 2017 increased 2.3 per cent to A\$1,567.90, according to Australian Bureau of Statistics figures. The consumer price index in the February quarter 2017 rose 0.6 per cent.

Australia's seasonally adjusted unemployment rate increased by 0.1 points to 5.6 per cent in February 2018. Unemployment increased 13,600 to 512,900. The number of people employed was 12,480,500 in February 2018. Monthly hours worked increased 21.3 million hours (0.2 per cent) to 1,734.1 million hours.

The ABS reported a labour force participation rate that increased by less than 0.1 points at 65.7 per cent in February 2018.

Political situation

Earlier this month Prime Minister Malcolm Turnbull lost 30 News polls in succession, a benchmark he set as a reason for replacing his predecessor, Tony Abbott, in September 2015. Despite that, Turnbull is unlikely to lose the prime ministership because there is no obvious successor, and so he will almost certainly go to election as leader between May and August 2019.

The Government has been working to legislate for a corporate tax cut but has not yet been able to get the votes required to pass it into legislation. It has argued that the tax cut will lead to more jobs and wages growth, and it will continue to negotiate with cross-benchers during the next session of parliament to get the legislation passed. Energy policy continues to be characterised by rancorous ideological divisions over renewables and coal, especially within the coalition parties, as the former Prime Minister Tony Abbott and his supporters call on the Government to forcibly acquire the Liddell coal-fired power station that its owner, AGL, wants to retire.

Calls have also been made by the same group to reduce Australia's immigration cap from 190,000 per year, and the Australian Council of Trade Unions is calling for better management of temporary skilled migrant worker visas so they don't take jobs that Australian citizens can do.

The issues around our major trading partners, especially China, have been difficult for the Australian Government to deal with given the unpredictability of the US president on free trade in general and the Trans-Pacific Partnership (TPP) in particular.

The Australian Government supported the action taken by the UK, US and France to shell Syria in retaliation for the recent chemical weapons attacks on its own population. The Prime Minister will be in Europe and join 53 leaders for the Commonwealth Heads of Government meeting during April and will support the motion that Prince Charles be the next head of the Commonwealth.

The Deputy Prime Minister Barnaby Joyce was replaced by the new leader of the National Party and coalition partner during February following a scandal over a sexual affair with a staffer that occasioned a bitter exchange of words between the prime minister and his then deputy. The prime minister has since banned all ministers from having affairs with their staff.

2. HR challenges

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

- Harassment: The international #MeToo campaign has caused repercussions in Australian companies around HR processes following numerous people, mainly in the media and the arts, who have been accused of harassment practices in the past, and on occasions dealt with poorly by HR. AHRI has published a number of pieces in the media indicating appropriate processes that should be followed.
- 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.
- Temporary skilled migrant visa policy was changed in March from the old 457 visa policy to a new Temporary Skill Shortage visa. A part of that change was to prevent abuse of the system by some employers exploiting migrant workers, but also to overhaul the approved list of skills as the basis for targeting migrant workers.
- 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.

3. AHRI projects and initiatives

Major areas of AHRI activity include the following:

- AHRI made a submission to a Senate Inquiry on the Future of Work and Workers during February, which built on a research paper we published during 2017.
- AHRI's certification initiative continues to be our primary area of activity with the numbers of certified practitioners growing as each cohort come through the various pathways that entitle them to candidature for certification by the National

Certification Council. Significant numbers of new certified practitioners were inducted at the end of last year and earlier this year.

- The 2018 AHRI National Convention scheduled for the Melbourne Convention Centre includes speakers Herminia Ibarra, Charles Handy, Lynda Gratton, Peter Cheese, Gihan Perera, Genevieve Bell, Jason Fox, Amantha imber, Ben Darwin and many more.
- AHRI 2018 Awards and the AHRI Diversity and Inclusion Awards are open for applications.
- AHRI is undertaking research projects during the first half of the year in the areas of turnover and retention, skilled migration and age discrimination.

4. Scheduled conferences

- Zelda la Grande, Nelson Mandela's personal assistant for 19 years, gave four capital city keynote speeches at International Women's Day in March and was very well received.
- An AHRI State Conferences was conducted in Darwin during April.
- Early in May AHRI's annual Inclusion and Diversity Conference will be conducted in Sydney. Keynote speakers include former Prime Minister Julia Gillard, who will speak on mental health in the workplace.

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