

Australia: Country Report

Asia Pacific Federation of Human Resource Management (APFHRM)

Pune, India Meeting

September 2018

Executive summary

Issues affecting the Australian economic and political landscape include another change of Prime Minister during August, and continuing debate over corporate tax cuts, and 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 fickle policy positions of US president Donald Trump on trade, particularly with China, is destabilising long-standing trading partner alliances in our region and beyond.

HR issues include workplace harassment, technology, changes to the skilled migration arrangements, and talent management. Corporate ethics scandals have continued to make headlines as executives give evidence at the Finance Sector Royal Commission. Representation of women in politics and government bullying scandals of female MPs has also occupied media space in the wake of the recent leadership spill.

AHRI completed judging of the 2018 shortlisted annual awards finalists in July and attracted a large attendance at the 2018 AHRI national convention in August, including speakers such as Herminia Ibarra, Lynda Gratton, Genevieve Bell and Charles Handy. Research findings were published on our turnover and retention study, and work continues on studies relating to skilled migration and workplace age discrimination.

1. Current economic and political situation in the country

Economy and labour market situation

The Australian Gross Domestic Product (GDP) grew by 0.9 per cent over the June 2018 quarter. The Australian resident population was estimated is 25,045,465 on 1 December 2017. Over 2017 Australia's population increased by 388,000 people, with 240,000 of that growth due to net overseas migration.

Average adult full time weekly earnings in the 12 months to May 2018 increased 2.6 per cent to A\$1,586.20, according to Australian Bureau of Statistics figures. The consumer price index in the June quarter 2018 rose 2.1 per cent.

Australia's seasonally adjusted unemployment rate was 5.3 per cent in August 2018. Unemployment decreased 2,700 to 711,900. The number of people employed was 12,620,700 in August 2018. Monthly hours worked increased 0.6 million hours (0.3 per cent) to 1,750.9 million hours.

The ABS reported a labour force participation rate of 65.6 per cent in August 2018.

Political situation

During August, a challenge to Prime Minister Malcolm Turnbull was launched within his own party, which resulted in a new Prime Minister, the former Treasurer, Scott Morrison, assuming the role of Prime Minister, the sixth change of government leader since 2007. Malcolm Turnbull has since left the parliament and a by-election in his seat due to be held in October, will determine whether the Liberal-National Party Coalition (LNP) Government can continue to govern in its own right.

Issues that led to the leadership crisis included problems legislating for a corporate tax cut, and the rancorous debate over energy policy characterised by largely ideological divisions over renewables and coal, especially within the coalition parties, as a former Prime Minister Tony Abbott call for the scrapping of emission targets to meet the Paris targets and increasing investment in coal power and less on renewables. Issues around women's representation in the LNP and harassment of female government parliamentarians during the leadership crisis continue to be problematic, with a number of women indicating they will not remain in the party at the next election, due by May 2018.

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 trade policy. The head of Australia's Department of Foreign Affairs and Trade spoke out in September, calling the US President's policies a sign that 70 years of international trading stability is at risk.

2. HR challenges

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

- Ethical behaviour: organisations across all sectors, whether religious, political, sporting or corporate continue to face ethical crises on a number of fronts:
 - The ongoing Royal Commission into the financial services sector continues to reveal multiple failures of compliance and bad corporate behaviour

- In September 2018 the Government called a Royal Commission into the age-care services industry, in view of retrograde business practices that were revealed in a television program screened by the Australian Broadcasting Corporation
- 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. That change was partly to prevent abuse of the system by some employers exploiting 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.
- Workplace bullying and harassment: The international #MeToo campaign continues to cause repercussions in Australian companies around HR processes and company behaviour.

3. AHRI projects and initiatives

Major areas of AHRI activity include the following:

- The 2018 AHRI National Convention attracted 3100 attendees over four days in August. Notable speakers were Distinguished Professor Genevieve Bell from Australian National University and Charles Handy. Others included Herminia Ibarra, Lynda Gratton, Peter Cheese, Gihan Perera, Jason Fox, Amantha Imber, and Ben Darwin.
- The volunteer lead State Network forums on diverse topics have attracted over 2,500 attendees so far this year.
- The AHRI 2018 Awards and the AHRI Diversity and Inclusion Awards were judged by a series of expert panels during July and August and 80 shortlisted finalist will be judged by the national judges to decide the winners who will be announced at a gala dinner in November. Individual award categories include HR diversity champion, CEO champion, HR leader, HR practitioner, and HR rising star. Organisation award categories include workplace relations, workplace flexibility, HR technology, innovation and creativity, organisation development, gender equity, disability employment, LGBTQI inclusion, indigenous employment, age diversity, talent management, and health and wellbeing.
- 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. More than 1500 AHRI members are now either certified or are engaging in the process to become certified through the 4-unit AHRI Practising Certification program, and hundreds more are seeking certification via the Senior Leaders Pathway.

- AHRI published the finding of a research project on turnover and retention in July, and we are now working on two other surveys on age discrimination and skilled migration, the findings of which will be published in October and December respectively.

4. Scheduled conferences

- The 2019 AHRI national convention will be held in Brisbane during September. Professor Stewart Friedman from the Wharton School of Business at the University of Pennsylvania has been secured as a keynote speaker.
- The 2019 AHRI Inclusion and Diversity Conference is scheduled for May.
- The 2018 Gala Dinner to announce the annual AHRI award winners is being held in Melbourne on 29 November.

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