

# Australia: Country Report

## Asia Pacific Federation of Human Resource Management (APFHRM)

Dhaka Meeting, Bangladesh

12 March 2016

### 1. Current economic and political situation in the country

#### Economy and labour market situation

The Australian Gross Domestic Product (GDP) showed an increase of 0.6 per cent for the September 2015 quarter. The Australian resident population was estimated at 23,781,200 for the June quarter 2015, according to Australian Bureau of Statistics figures, showing a growth of 0.3 per cent. The consumer price index in the December 2015 quarter rose 0.4 per cent. .

Australia's seasonally adjusted unemployment rate fell to its lowest point for 18 months, dropping to 5.8 per cent in November 2015, with 71,000 jobs created in November, 41,000 of which were full time. The number of people employed was 11,893,800 in December 2015, an 0.1% increase. Hours worked increased 3 million hours in December 2015 to 1.645,800 hours.

The ABS reported a labour force participation rate of 65.2 per cent in December 2015, a decrease of 0.1 per cent. The labour force underutilisation rate was unchanged at 14.3 per cent for the same period.

#### Political situation

The Coalition Government led by Malcolm Turnbull has remained strong in the opinion polls since the replacement of Prime Minister Tony Abbott in September 2015.

Although the negotiating impact of the Turnbull Government with the cross bench senators who hold the balance of power, has strengthened, the Senate is still refusing to pass measures such as the re-establishment of a Building and Construction Commission to curb union power. That has handed the Government a double-dissolution trigger, meaning that the Government is entitled to dissolve both houses and call a snap election should it choose to do so, and hope for a more agreeable Senate. If that doesn't happen, the Government will not need to go to an election until September and so will deliver the first Turnbull-Morrison budget in May.

The economy, and in particular tax reform, is the Government's main problem, with commodity prices and revenues down and low growth projections for 2016, and with significant internal party

division on issues such as raising the goods and services tax (GST) from 10 per cent to 15 per cent, tightening superannuation deductions and tampering with negative gearing on investment properties all on the table. The Abbott Government had failed to get key budget legislation through the Senate in 2014 and 2015.

The Turnbull Government may well put workplace relations reform back on the table to take to an election, an issue that Abbott had abandoned.

## **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.
- Cost controls: With the gloomy forecasts for business in 2016, attention will focus on cutting costs and doing more with less. 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.
- Social media: Developments in technology continue to boost the momentum for HR to embrace social media as a way to engage the workforce and contribute towards innovation.
- Workplace relations: The Turnbull Government has shown a stronger appetite than its predecessor for workplace relations changes as we move towards the 2016 federal election. There is now a stronger likelihood than previously that the issue will become an election issue.

## **3. AHRI projects and initiatives**

Major areas of AHRI activity include the following:

- AHRI's certification initiative for Australian HR practitioners, based on the rigorous AHRI Practising Certification Program (APC), was due to induct the first certified candidates in February. A communication campaign about the APC is well under way and the issue has become a discussion point among AHRI members. From January 2017, the APC will be the single entry point to the certified practitioner status of CAHRI-CP, though a senior pathway is also available for appropriate candidates, as is a pathway through CIPD reciprocity.
- AHRI's recently re-signed a reciprocity agreement with our UK counterpart CIPD. In addition to AHRI recognising CIPD professional members as certified practitioners, the

agreement provides for AHRI co-promoting appropriate CIPD events and courses in our region.

- In association with research partner Insync, AHRI released a report of a survey of 851 CEO's, public sector agency heads and HR practitioners. The findings asked the senior leaders two questions about 17 HR attributes: (1) How important are they to your business? and (2) How well do your HR practitioners perform with respect to each attribute? The report of the findings distilled 5 tips from HR practitioners from the business leaders.
- An essay competition is being offered by AHRI under the auspices of its sponsor, Ram Chanan, with a \$5000 prize to the winner. Only AHRI undergraduate student members are eligible to enter the competition.
- AHRI has entered into a cooperation agreement with CPA Australia, the large association of practising Australian accountants, with the intention of leveraging the major points of mutual intersection between the two associations.
- The 2016 AHRI Awards and the AHRI Diversity and Inclusion Awards are now open for entry.
- In the latter part of 2015, AHRI published research reports on member surveys we conducted on talent, turnover & retention, and HR outsourcing.

#### **4. Scheduled conferences**

- Two series of AHRI state conferences are scheduled across the country in 2016, drawing on emerging HR trends and focusing on the provision of practical insights and inspiration for the people strategy of delegates.
- The 2016 National Convention is scheduled for Brisbane on 3-5 August. Speakers include Wayne Cascio, Lynda Gratton, David Rock, Tomas Chamorro-Premuzic, Holly Ransom and Lt General David Morrison.

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