

Australia: Country Report

Asia Pacific Federation of Human Resource Management (APFHRM)

Fiji Meeting

March 2019

Executive summary

Issues affecting the Australian economic and political landscape include continuing debate over corporate tax cuts, and renewables and coal with respect to providing market certainty on energy policy. Increasingly into that mix are issues around low wages growth, further prompted by the Reserve Bank signalling the matter as a problem for the economy.

HR issues include changes to the skilled migration arrangements and executive remuneration. Corporate ethics scandals have continued to erode confidence in business in the wake of executives giving scandalous evidence at the Finance Sector Royal Commission. Representation of women in politics have occupied media space in the wake of the 2016 leadership spill resulting in the demise of Prime Minister Turnbull, and the defection of numerous high ranking and outspoken female parliamentarians.

AHRI announced the winners of its 2018 annual Awards at an end of year black-tie dinner. Research findings were published on workplace age discrimination in association with the Australian Human Rights Commission, and the findings of AHRI's survey on the changes to the skilled migration visa system are due for publication this month.

1. Current economic and political situation in the country

Economy and labour market situation

The Australian Gross Domestic Product (GDP) grew by 0.6 per cent over the September 2018 quarter. The Australian resident population was projected by the Australian Bureau of Statistics to be 25,271,878 on 27 February 2019. Over 2018 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 November 2018 increased 2.4 per cent to A\$1,604.90, according to ABS figures. The consumer price index in the December quarter 2018 rose 1.8 per cent.

Australia's seasonally adjusted unemployment rate was 5.1 per cent in January 2019. Unemployment decreased 2,700 to 711,900. The number of people employed was 12,747,700 in January 2019. Monthly hours were 1,763.2 million hours.

The ABS reported a steady labour force participation rate of 65.7 per cent in January 2019.

Political situation

The relatively new Prime Minister and former Treasurer, Scott Morrison, was Australia's sixth change of government leader since 2007. In October Malcolm Turnbull's vacated seat in the House of Representatives was won by an independent, Dr Phelps, a former head of the Australian Medical Association, who ran on a platform of transferring sick asylum seekers off Manus Island and Nauru so they could get proper medical treatment.

The Government opposed Dr Phelps' bill and put off a vote until February when the parliament sat. With the increasing number of independents and defectors from the Government ranks, the Government lost the Phelps' vote on the floor of the House and in the Senate, but no vote of confidence was moved. Accordingly, the Government continues until an election is due in May and will sit for one more week in April to bring down a pre-election budget.

It is becoming clear that the Government will run a campaign on strong borders following the Phelps' vote, and play down the critical issues of energy policy, the economy and stagnating wages which have been central to the infighting and instability in Government ranks, especially with the scandalous revelations in the banking Royal Commission, which have revealed questionable executive bonuses that have been denied at angry shareholder meetings in December.

2. HR challenges

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

- Ethical corporate behaviour: organisations across all sectors, whether religious, political, sporting or corporate continue to face ethical crises on a number of fronts:
 - The findings of the Hayne Royal Commission into the financial services sector were handed down to the Government in February. Hayne has made numerous recommendations with respect to compliance and bad corporate behaviour, many of which have implications for HR

- 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
- The conviction of Australia's Cardinal Pell on sexual abuse charges in Melbourne during December 2018, was a stark indicator that Royal Commissions result in dramatic actions in the light of the long-running Royal Commission into sexual abuse of children in institutions
- Technology: Thinking on robotics and artificial intelligence technologies 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 2018 to a new Temporary Skill Shortage visa scheme. That change was partly to prevent abuse of the system by some employers exploiting migrant workers. HR is interested in the policy because many businesses employ skilled workers from overseas that they can't get in Australia.
- Casual employment: In 2018 the Federal Court of Australia decided an appeal on the issue of casual employees in the case of Workpac vs Skene. In summary, the court decided that a casual worker is an employee if employed on a continuing basis as part of a standard roster over a period of time. Casual workers receive a loading that is intended to cover employee benefits they don't receive, such as annual leave and sick pay. The issue of double dipping arises as part of the decision, among other things. The debate continues and may get a hearing during the forthcoming election campaign.
- The aftermath of the national vote on changes to the Marriage Act led to the legalisation of same-sex marriage. The vote was won on a 61 per cent majority and caused open and hostile discussion in the community, including in workplaces, many of which took open stands on the matter. It's a little early to know whether that has affected workplace inclusion and diversity policies and attitudes.

AHRI projects and initiatives

Major areas of AHRI activity include the following:

- The AHRI 2018 Excellence Awards and the Diversity and Inclusion Awards winners were announced at a gala dinner in November 2018. Individual award categories included 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 around 1800 AHRI members now either certified or 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 moves to phase 3 of its certification strategy in 2019 which is to take the issue to the employers of HR, having spent the past 4 years focused on communicating the rationale to HR practitioners.
- AHRI published the finding of a research project on age discrimination towards the end of last year which received wide national media coverage. We are about to publish the findings of a study of our members on skilled migration.

4. Scheduled conferences

- AHRI's 2019 International Women's Day breakfasts will be celebrated around the country in early March. The speaker is an international model with Down Syndrome.
- The 2019 AHRI Inclusion and Diversity Conference is scheduled for May. Among the speakers is the CEO Qantas Airways who will speak about LGBTQI issues.
- The 2019 AHRI national convention will be held during September in Brisbane. Confirmed speakers include former Netflix chief talent officer Patty McCord, Wharton School of Business Professor Stewart Freedman, and Atlassian R&D and work futurist Dom Price.

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