

Australia: Country Report Asia Pacific Federation of Human Resource Management (APFHRM)

**Singapore Meeting
October 2015**

1. Current economic and political situation in the country

Economy and labour market situation

The Australian Gross Domestic Product (GDP) showed an increase of 0.5 per cent for the June 2015 quarter. The Australian resident population was estimated at 23,714,300 for the March quarter 2015, according to Australian Bureau of Statistics figures, showing a growth of 0.4 per cent. The consumer price index in the June 2015 quarter rose 0.7 per cent. .

Australia's seasonally adjusted unemployment rate increased 0.1 per cent to 6.2 per cent in August 2015. The number of people unemployed decreased by 14,400 to 781,100 in August 2015. The number of people employed was 11,765,400 in August 2015, a 0.1% increase. Hours worked decreased 0.6 million hours in August 2015 to 1.623,800 hours.

The ABS reported a labour force participation rate of 65.0 per cent in August 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 main political change since the last report from Australia has been a change during September in the leadership of the ruling party, with Tony Abbott replaced by Malcolm Turnbull as Prime Minister. The Government stocks rose immediately as the opinion polls revealed the strong popularity of Turnbull following the demise of the deeply unpopular Abbott.

That change now makes possible the negotiation of budget measures that have stalled over the past two budget periods, with Turnbull having significantly more political capital and the negotiation skills to make some ground with taxation, education and labour reforms that have been held up in the Senate. .

It also means the Government may now run full term through to September 2016, which was highly unlikely under the previous leadership. Prime Minister Turnbull has also changed a number of cabinet posts, including making a significant

increase in the number of female cabinet positions, one of whom is the new Defence Minister, and another is a female Treasury Minister. Tony Abbott had appointed only one female minister to his original cabinet; now there are five senior female cabinet ministers. Turnbull also elevated the role of science, innovation and new technology in a cabinet that formerly had no science minister.

The new Prime Minister had made no policy changes by the end of September but signalled a new direction. Australians wait for his next moves with a degree of expectation or apprehension, depending on which political colour they favour. That particularly applies to the areas of renewable energy industries and climate change.

2. HR challenges

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

- **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.
- **Talent management:** The war for talent remains a recurring priority for HR practitioners as they look for ways to get a competitive edge. Some are looking at the areas listed above.
- **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:** It remains to be seen whether the Turnbull Government revives an appetite for workplace relations changes in the light of the present Inquiry by the Productivity Commission into the Fair Work Act. The Abbott Government had shown a reluctance to add that issue to its troubled agenda until after the 2016 election.

3. AHRI projects and initiatives

Major areas of AHRI activity include the following:

- The 2015 AHRI National Convention was held in Melbourne in August. Speakers included Dave Ulrich, Ram Charan, Rabia Siddique, Umran

Beba, Tomas Chamorro-Premuzic, and former prime minister and architect of the Fair Work Act, Julia Gillard. The 2016 National Convention is scheduled for Brisbane in August 2016.

- AHRI's certification initiative for Australian HR practitioners, based on the rigorous AHRI Practising Certification Program (APC), is in full operation. A communication campaign has commenced and the issue has started to become a major discussion point among AHRI members. While the decision to move forward is final, consultation on its implementation will continue into 2016 and be followed in 2017 and beyond by a communication campaign directed at the employers of HR practitioners.
- The 2015 AHRI Awards and the Diversity and Inclusion Award winners are due to be announced next month.
- AHRI published a report on its Older Australians Workers Summit with the Australian Human Rights Commission. Another report is about to be published on a survey of members around the issues of turnover and retention. A report on the outcomes of AHRI's study with research partner Insync on CEO perspectives on 'good HR' is due for publication in November. A survey on talent management has been completed and the finding will be published later this year.

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