

Australia: Country Report

Asia Pacific Federation of Human Resource Management (APFHRM)

Bangkok Meeting, Thailand

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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 2016 quarter, and the terms of trade increased by 2.3 per cent in seasonally adjusted terms. The Australian resident population was estimated at 24,194,713 for the quarter, according to Australian Bureau of Statistics figures. The consumer price index in the June quarter rose 1.0 per cent. .

Australia's seasonally adjusted unemployment rate dropped to 5.7 per cent in August 2016, with 9,900 jobs created. The number of people employed was 11,965,100 in August 2016. Monthly hours worked decreased 3.9 million hours to 1.646,000 hours.

The ABS reported a labour force participation rate of 64.7 per cent seasonally adjusted, a decrease of 0.2 points. The labour force underutilisation rate marginally increased to 14.3 per cent for the same period. The underemployment rate increased by 0.1 per cent to 8.6 per cent during the period.

Political situation

The Liberal National Party Coalition Government was reinstalled as the Australian Government in the July 2016 double-dissolution election triggered by the Government's inability to legislate an industrial relations reform.

Despite his significant lead in the polls when he replaced the former PM Tony Abbott in September 2015, Malcolm Turnbull managed to lose a great deal of political capital over the period since and won the election with a margin of only one member in the Lower House of Representatives and no majority in the new Senate which also saw the door opened to the election of minor parties and independents who between them exercise the balance of power on legislation getting passed, the trigger for the double-dissolution being one of those in doubt.

The economy, and in particular tax reform, is still the Government's main problem, with commodity prices and revenues down and low growth projections for 2016, and with significant internal party division on numerous issues, including superannuation and negative gearing.

2. HR challenges

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

- Working hours: While the official unemployment rate has fallen marginally over the last quarter to 5.7 per cent, the number of working hours has decreased and so has the underemployment rate. What this means is that there a number of employees working but wanting to work more hours.
- 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.

3. AHRI projects and initiatives

Major areas of AHRI activity include the following:

- AHRI's certification initiative has resulted in two cohorts of candidates being HR certified by the National Certification Council, the first in February and the second in August 2016. Three pathways are available to become certified. A communication campaign about certification directed at HR practitioners is well under way and is to be augmented by a campaign directed at business commencing in 2017.
- The recent AHRI National Convention in August 2016 attracted strong numbers in excess of 2000 attendees, and featured speakers of the order of Lynda Gratton, Wayne Cascio, Tomas Chamorro-Premuzic, Holly Ransom, Lt General David Morrison and David Rock.
- AHRI has struck an alliance with the CPA Australia which includes sharing publications and research activities, among other things. A research project on the common ethical obligations of accountants and HR practitioners has commenced, and results should be forthcoming in the new year.

- AHRI has enjoyed strong application numbers for the 2016 AHRI Awards and the AHRI Diversity and Inclusion Awards, the judging of which is happening at present leading to the announcement of finalists and winners later in the year..
- AHRI is about to publish research reports on a member surveys about Expectations and Experiences of Work. This research exercise is a departure from our usual practice in that it surveyed AHRI members, around 30 per cent of whom were student members, who report on and discuss their own experiences and expectations rather than those of employees in their organisations.

4. Scheduled conferences

- A series of AHRI state conferences are scheduled during October 2016 in Sydney, Canberra and Melbourne. Speakers include Dr Jason Fox and James Adonis..
- The 2016 AHRI National Awards winners will be announced in Melbourne at a Gala Dinner on 1 December 2016.

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