

# **Australia Country Report – Asia Pacific Federation of Human Resource Management (APFHRM)**

**Santiago, Chile  
October 2014**

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

### **Economy and labour market situation**

The Australian Gross Domestic Product (GDP) showed an increase of 0.7 per cent for the June quarter, 0.5 per cent seasonally adjusted. The Australian population was 23,627,268 as at 31 March 2014, according to Australian Bureau of Statistics figures, showing a growth of around a half a million people since December 2013. The consumer price index in the June 2014 quarter rose 0.5 per cent. .

Australia's seasonally adjusted unemployment rate increased 0.1 per cent to 6.2 per cent in August 2014. The number of people unemployed decreased to 755,100, with 541,000 looking for full time work, a decrease of 33,500, the ABS reported. The number of people employed increased by 121,000 to 11,703,500 in August 2014, seasonally adjusted.

The seasonally adjusted ABS monthly aggregate hours worked showed an increase for the month of August 2014 of 0.1 million hours to 1,609.5 million hours. The ABS reported a labour force participation rate of 65.2 per cent in August 2014, an increase of 0.4 per cent. The labour force underutilisation rate increased to 14.3 per cent for the same period.

### **Political situation**

The Abbott Government handed down its first Budget in May 2014 under Treasurer Joe Hockey. It has been characterised by the Government as a Budget that distinguishes between 'lifters' and 'leaners': those in work or study and those on welfare. The Government can get its most controversial Budget measures through the lower house but it does not have an upper house majority and the numerous cross-bench Senators are teaming with the Opposition to prevent their passage.

The failure to get the Budget bills passed, and the continuing controversy surrounding them, has caused a significant drop in the standing of the Government in the polls.

In more recent days, the centre of attention has shifted to the issues around national security in the wake of the Iraq-Syria situation and the Government's stocks have risen. There is bi-partisan support on these issues, but the Budget measures remain in limbo.

While there are no stand-out controversial labour market issues in the Budget, the electorate awaits the Government's promise to charge the Productivity Commission with a review of the Fair Work Act in the latter part of this year.

## **2. HR challenges**

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

- **Workforce participation:** In the wake of the Budget, there is an increasing imperative around moving greater numbers of people into the workforce who have been on welfare. The Government has abandoned a proposal to demand that unemployed youth submit 40 job applications a month but it has sent a strong signal that the Government is determined to find ways to change the game.
- **Talent management:** The war for talent is a recurring theme for practitioners as they look for ways to get a competitive edge.
- **Technology and social media:** Technology investment to spark the relationship between HR and the line. Increasing acceptance of the need to get ahead of the curve with social media and engage our people more. Need to have more "live" than historic data with HR to have a strong familiarity with data.
- **Leadership:** The break through insights that drive innovation and creativity in people. Build new capabilities as there is a gap in being inquisitive. The Importance of courage and tenacity for HR leaders.
- **Workplace relations:** Imminent Productivity Commission review of the Fair Work Act will cause interest and challenges.

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

Major areas of AHRI activity include the following:

- The 2014 AHRI National Convention was held in Melbourne in August. Overseas speakers included Tamara Erickson, Marshall Goldsmith, Vineet Nayar, Wayne Cascio, and CIPD's Peter Cheese. Big turnout of 1300 delegates plus 1000+ visitors.
- AHRI Chairman Peter Wilson released an overhaul of the AHRI Model OF Excellence at the Convention that will be promoted widely to the Australian HR profession as the benchmark ideas around exemplary HR practice and professional behaviours that contribution to organisation capability
- AHRI continues to pursue taking its value proposition to the 2.3 million small businesses in Australia, most of which do not have any access to HR knowledge or advice. A partnership with one of the big four banks, Westpac, is expected to provide an opportunity to bring the positive AHRI message to a greater number of small businesses.
- The 2014 AHRI Awards and the Diversity and Inclusion short lists have been released, with winners to be announced in November. .
- AHRI surveyed its members on the issue of flexible work (anytime anywhere work) and released findings last month. A survey questionnaire is due to be distributed shortly on older

workers in the workforce, an issue of increasing sensitivity in the wake of the workforce participation issues in the budget and the increase of the retirement age to 70.

- A report on 'What is Good HR' is about to be released. It is based on a survey of 900+ AHRI members and will be followed up next with a CEO survey on the same issue.
- AHRI appointed Mahlab Media its new publisher in July and launched a multi-pronged Human Resources Media platform called HRM Online. It will be open to the entire profession as a digital site that includes articles from the HRmonthly magazine, regular digital newsletters and videos.

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