

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

**Tokyo, Japan
April 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 2.5 per cent for the December 2014 quarter. The Australian resident population was estimated at 23,490,700 for the June quarter 2014, according to Australian Bureau of Statistics figures, showing a growth of 0.29 per cent. The consumer price index in the December 2014 quarter rose 0.2 per cent. .

Australia's seasonally adjusted unemployment rate increased 0.4 per cent to 6.3 per cent in February 2015. The number of people unemployed increased by 15,800 to 777,300 in February 2015. The number of people employed was 11,654,000 in February 2015, a 0.1% increase. Hours worked increased 0.8% in February 2015.

The ABS reported a labour force participation rate of 64.6 per cent in February 2015, a decrease of 0.1 per cent. The labour force underutilisation rate decreased 0.1 per cent to 14.9 per cent for the same period.

Political situation

The Abbott Government continues to have trouble getting key budget measure passed from its first Budget in May 2014 under Treasurer Joe Hockey, and it is now preparing for the May 2015 budget. The Government blames the blockages on an uncooperative upper house where it does not have a majority and cannot persuade cross bench senators to pass its measures. Accordingly, it has had to back down on a number of measures that has caused bad poll results and considerable destabilisation within the ruling party that in turn has fermented leadership speculation and a spill motion against the PM that failed.

The national media continue to speculate about the prime minister's standing in the party, with two ministers quietly biding their time to take over as PM if it comes to a head: Foreign Minister Julie Bishop, and Communications Minister Malcolm Turnbull.

The centre of attention has shifted to the issues around national security in the wake of the ISIS atrocities, and the PM has signalled restrictions on personal freedom may be necessary as he sends more troops to Iraq, and foreshadows more legislation around security and metadata. . There is bi-partisan support on these issues, but the Budget measures remain in limbo.

The Government's promise to issue the terms of reference for a Productivity Commission review of workplace relations laws has come about and a period of consultation is now in progress with a reporting date to the Government of November 2015.

2. HR challenges

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

- **Workforce participation:** The Government has issued an Intergenerational Report that spells out the problems of a large departing baby boomer workforce to be supported by a smaller domestic workforce with increasing implications with respect to welfare, pensions and unemployment benefits. The eligibility for pension is due to rise to 70 signalling the Government's keenness to keep older people working, and proposals that unemployed people make large numbers of weekly job applications has been opposed by business on practical grounds.
- **Talent management:** The war for talent remains a recurring priority for HR practitioners as they look for ways to get a competitive edge.
- **Social media:** The momentum continues to engage with developments in technology and to embrace social media as a way to engage the workforce and innovate.
- **Workplace relations:** The present Inquiry by the Productivity Commission review of the Fair Work Act is once again causing unrest as business pushes the Government to be more urgent in making changes to the Act. For its part, the Government has undertaken not to implement IR changes until they are put to an election due in late 2016.

3. AHRI projects and initiatives

Major areas of AHRI activity include the following:

- The 2015 AHRI National Convention will be held in Melbourne in August. Speakers engaged include Dave Ulrich, Ram Charan, Rabia Siddique, Umran Beba, Tomas Chamorro-Premuzic, and former prime minister and architect of the Fair Work Act, Julia Gillard..

- AHRI Chairman Peter Wilson has submitted a chapter on certification for a book that is being edited by Dave Ulrich.
- The AHRI board has endorsed a proposal to initiate a major certification initiative for Australian HR practitioners, using a more rigorous AHRI Practising Certification Program that will lead to the post-nominal APC. A grandfathering arrangement until January 2017 will allow for present certified members to maintain their standing.
- AHRI continues to pursue taking its value proposition to the 2.3 million small businesses in Australia, and has partnered with the big bank Westpac to get a positive AHRI message to a greater number of small businesses.
- The 2015 AHRI Awards and the Diversity and Inclusion Awards have now been joined together into one event, and applications are open for entries.
- AHRI published a report of a member survey on older workers in February and also participated as a partner in an Older Australians Workers Summit with the Australian Human Rights Commission in Sydney. It is an issue of increasing sensitivity in the wake of the workforce participation issues in the budget, the increase of the retirement age to 70, and the urgency entailed in the just published Intergeneration Report. A report on the proceedings of the invitation-only summit will be produced in the second quarter.
- An AHRI report on ‘What is Good HR’ was released last year, based on a survey of 900+ AHRI members. Plans are now in progress to survey Australian CEOs on their expectations of good HR, and to compare the results.
- AHRI surveyed members in February about the issues coming before the Productivity Commission Inquiry into the workplace relations framework. The data that came out of that survey has informed a written submission that AHRI made to the Commission in March. In due course AHRI will speak to its submission at public hearings to be held around the country by the Commissioners.

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