

## CareersMultiList



CareersMultiList delivers to our clients the highest quality talent via a franchise network of over 100 specialist recruitment companies (over 130 offices) throughout Australia and New Zealand.

We hope you enjoy this 30th edition of our quarterly newsletter (that's almost 8 years worth of quarterly publication!), which provides a brief snapshot of topical employment, HR and recruitment issues.

If you have any staffing or HR requirements, please contact your local, specialist CareersMultiList franchise partner, or our head office on 1300 666 177.

### EMPLOYMENT NEWS

#### EMPLOYMENT HOLDS STEADY IN MAY

Total employment for May rose 0.1%, according to the latest ABS labour force data. Seasonally adjusted, total employment figures were up by 7,800 to 11,440,500. The unemployment rate remained steady at 4.9%.

Full-time employment fell again in May, down by 22,000 to 8,027,100, but was offset by a 29,800 increase in part-time employment, rising to 3,413,500.

The labour force participation rate was unchanged from April, at 65.6%.

Aggregate monthly hours worked rose 6.4 million to 1,601.1 million hours.

CareersMultiList general manager, Matt Webster, said that these statistics again reflect the much publicised "two-speed economy", with some industries booming and experiencing severe skills shortages, whilst others have an oversupply of candidates due to lack of jobs.

"Our mining, resources, infrastructure, engineering and technical clients are desperately seeking more skilled candidates from our specialist recruiters network, whilst our manufacturing clients on the whole are still quite bearish."

But it's excellent to see some leading-edge employers thinking "outside the square"

with regard to "critical criteria" for their roles, which were previously too narrowly defined, he said.

"For those sectors experiencing skills shortages, it's all about finding diverse but relevant, transferable skills and attributes, coupled with a proven, positive attitude, a strategic mindset and of course ensuring a sound cultural fit."

#### FWA INCREASES MINIMUM WAGE

Fair Work Australia has lifted award minimum wages by 3.4%.

The decision will apply from 1 July, 2011 and will affect all award-based workers across-the-board.

The ruling lifts the federal weekly minimum wage by \$19.40 to \$589.30 (\$15.51 an hour) from \$569.90 (\$15 an hour).

The FWA minimum wages panel rejected arguments from employer groups that the increase should be delayed because of the impact of the recent natural disasters on the economy.

It said that in the current economic circumstances a "significant increase is appropriate which will improve the real value of award wages and assist the living standards of the low paid".

A percentage increase was agreed upon by the panel to address the falling real value

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of award classification rates at the higher level, after a series of flat dollar increases. The ACTU had proposed a \$28-a-week pay rise, up to the benchmark tradesperson's rate (C10 in the manufacturing award) and 4.2% above that.

This was double the \$14-a-week proposed by the Australian Industry Group and nearly three times the \$9.50-a-week rise the Australian Chamber of Commerce and Industry argued for.

The decision will affect about 1.4 million workers.

## **CONSTRUCTION, ENGINEERING STAFF SAW BIGGEST PAY RISES IN 2010**

Australian salaries rose by an average of 4% in the 12 months to December, according to a recent Mercer salary survey.

The national study of 216 organisations found that the biggest pay rises were in construction and engineering, both on 5%.

Sales professionals and legal staff were also above average, at 4.5% and 4.2% respectively.

The HR, property and executive categories all received pay in line with the national average, at 4%.

Pay rises were lower for those in banking (3.8%), manufacturing (3.8%), retail (3.8%), marketing (3.7%) and IT (3.6%).

Mercer human capital principal Martin Turner told Shortlist the research indicated that overall, if economic conditions remained stable, salaries would rise by a national average of 4% this year, and 4% next year.

He noted that Mercer was seeing some variance between the states, with more upward pressure on salaries in the resources states, and particularly Queensland.

## **HR NEWS**

### **2011 – 2012 BUDGET WRAP FOR EMPLOYERS**

Initiatives in the recent Federal Budget will affect how employers attract, manage and retain their staff, according to Aon Hewitt.

Budget initiatives to increase the pool of skilled labour and reduce talent shortages include:

- subsidising 130,000 additional training places, with employers required to contribute, on average, half of the training cost
- funding to increase the number of apprentices who complete their course, and to help them achieve this more quickly
- establishing a new agency to identify critical skill needs and build a more skilled workforce
- funding to improve the basic employment skills of job seekers

- providing additional funding to States and Territories who agree to reforms of the training system

What this means for employers, Aon Hewitt says, is that they will “still need to work hard at remaining competitive in a very tight labour market, particularly as baby boomers are now reaching retirement age”.

Employers and HR practitioners should focus on:

- pay competitiveness - knowing what the market rates are for jobs is essential so employers can offer a competitive salary to attract and retain staff
- performance management - by identifying, developing and rewarding high performers employers will be better placed to retain key employees
- employee engagement - employers who understand the drivers of employee engagement and how they compare with other organisations will more successfully compete for talent
- reward and recognition programs - these can provide a cost-effective way for employers to recognise and reward employees, which in turn helps with retention

### **MORE SKILLED MIGRATION IS BOOST FOR MAJOR PROJECTS AND REGIONS**

The recent Federal Budget increased Australia's permanent and skilled migration levels and introduced new measures to fast-track skilled migrants to areas of high demand - regional Australia and mega resources projects.

The Government added a further 16,300 places to its net migration intake, bringing it to a total of 185,000, which is still significantly down on the 315,000 peak reached in the year ending 2008.

Of this, the skills stream will increase to 125,850 places, with the Government for the first time also specifying the number of places to be allocated to the Regional Sponsored Migration Scheme (RSMS) component - 16,000 for 2011-12.

The Government will fast-track permanent residency for 457 visa holders who have spent two years in regional Australia if their employer will sponsor them for a further two years.

The Government also announced the introduction of regional migration agreements - aimed at bringing employers, local and state government and unions together to address local labour needs.

Immigration Minister Chris Bowen said that fostering training initiatives for Australians would be a strong focus of the new agreements. “The existing network of regional, industry and union outreach officers will also be further resourced to ensure regional employers and industry groups are well informed about such initiatives, and can better access skilled labour where it is needed,” he said.

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The Government has allocated \$4.8m over four years to fund its regional migration initiatives.

The Budget as expected also included details of the Enterprise Migration Agreements (EMA) scheme announced earlier by Workplace Relations Minister Senator Chris Evans to give major resource projects a fast-track to skilled overseas workers where Australians can't meet demand.

While unions including the CFMEU and CEPU had called for projects to have a capital expenditure threshold of \$10 billion for the arrangements to apply, the Government has instead, as expected, set the floor at \$2b-plus and a peak workforce of 1,500. Projects that utilise EMAs will be required to contribute to training Australian workers to address future skills needs in the resources sector.

The Government also allocated \$5.9m over four years to reform the application process for permanent skilled migration through the new Skilled Migration Selection Model announced earlier, and \$10m over the same period to enhance the 457 visa program and improve visa processing times.

## RECRUITMENT NEWS

### AUSTRALIAN HIRING MANAGERS SUFFERING FROM TUNNEL VISION?

Many Australian companies are limiting their access to talent by slavishly sticking to hiring protocols that require candidates to have worked in similar jobs in the past, or to have a specific qualification, says CBA national executive recruitment manager Ian Dunbar.

Dunbar said that compared with London and European companies in the finance sector (in which he is a specialist recruiter) Australian companies are far more likely to require either a specific degree, or evidence that a candidate has performed well in a similar role in the past.

In contrast, Dunbar said, if you polled the senior partners of the top London accounting firms, you would find many of them had degrees unrelated to accounting such as languages, geography or science.

"But if you talk to the Australian ones, you'll find they've all done a commerce or accounting degree. They'll tell you that in Australia, you can't become an accountant or CPA unless you've done an accounting degree."

"It's my view that sort of thinking seems to carry on through the rest of their career."

Dunbar said it was relatively easy to train people in accounting or other technical disciplines with bridging courses, but the "soft skills" such as leadership, strategic thinking and people skills were much harder to train.

Dunbar said that when he first started recruiting in Australia (he has worked for leading recruitment agencies and also run executive recruitment teams for Macquarie Bank and Sydney University) he was constantly having candidates rejected by hiring managers because they hadn't done the specific job for which he was recruiting in the past.

Dunbar said in Europe, "it's much easier to take a candidate to a hiring manager and say 'here is someone who hasn't done this role before, but here are the specific competencies and skills that you're looking for in someone to do this role well, and this person has shown these skills and competencies in this other job'".

He said this openness to bringing in people with different experiences tended to broaden the strategic thinking ability of an organisation's workforce.

But he said in Australia, in his experience, hiring managers tended to have "a kind of tunnel vision".

By only focusing on candidates that have done a specific role before, companies are limiting their talent pool and overlooking people who could bring a lot of valuable skills to an organisation.

## ORGANISATIONAL DEVELOPMENT

### INNOVATION KEY TO SURVIVING SKILLS SHORTAGE

Large companies should consider more innovative ways to attract and retain staff, or risk a wages blowout according to the latest national salary survey from the Australian Institute of Management (AIM).

"A tightening labour market, skills shortages and the likelihood of a rate rise all point to a wages blowout if employers can't find ways to keep good people without big wage hikes," said AIM's NSW and ACT chief executive, David Wakeley.

He said there was already evidence of growing wages pressure, and "savvier employers are seeking creative ways to motivate people, without offering big salary hikes."

The survey of 506 large Australian companies showed that while salary increases were more prevalent (up to 92.2% from 73.6%), companies were starting to look outside the box for ways to attract and retain staff.

Around 80% of large companies are offering flexible working arrangements to senior staff, and 65% are offering them to wages staff.

Training and development opportunities are also being used as a retention tool, with 43% of employers saying they plan to increase their training budget over the next 12 months.

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Large companies, which AIM defines as those with annual turnover over \$10 million, have also increased their implementation of formal succession planning policies, up from 37% to 43%. The survey said employers are bringing in more policies aimed at selecting staff for development, mentoring and coaching programs.

"Although pay will always remain an important factor, developing and implementing effective training, career development and succession plans at all levels across the organisation is key to attracting and retaining good people," Wakeley said.

The survey reported that 50% of large companies are having difficulties recruiting staff due to skills shortages and that, with a stabilised economy, more employees are willing to change jobs with voluntary staff turnover increasing from 10.3% to 12.6%.

Some 53% of companies reported an increase in permanent staff levels, with over half (57%) expecting more increases over the next 12 months.

Annual average salaries experienced little movement, with the highest (4.2%) being recorded for senior executives and the lowest (3.9%) experienced by salaried staff and professional technical staff.

Looking across the different states, WA recorded the highest average salary rise (4.7%) and SA recorded the lowest (3.1%).

## **NEW MOVES TO ENCOURAGE RECRUITMENT OF OLDER WORKERS**

The federal government has also announced recently that it will develop a "charter" designed to encourage employers to recruit more older workers.

Minister for Employment Participation Kate Ellis said in April that the government was expanding its "Experience Plus" program, which is designed to support mature workers to stay in the workforce for longer.

As well as a range of initiatives aimed at the workers themselves, the government was establishing a voluntary charter, outlining goals for employers to achieve "best practice in the recruitment and retention of mature-age people".

It was also developing a set of guidelines to help companies implement the charter.

## **SAFETY NEWS**

### **MOBILE PHONES CAN JEOPARDISE PRODUCTIVITY AND SAFETY?**

Employers should not only consider productivity issues, but also safety, when regulating mobile phone use in the workplace, says FCB partner, Matthew Robinson.

Robinson says there are two aspects of mobile phone use that have safety implications.

One is the potential for radiofrequency or electromagnetic interference, which can interfere with electrical equipment and ostensibly cause flammable substances to ignite.

"It's a situation where the use of the mobile phone - the device itself - can cause a safety incident." In these circumstances, an outright ban in the relevant area is justified, he says.

The other issue, which is far more common, is the fact they can be a significant distraction.

"It's been widely recognised that taking mobile phone calls, texting, or cruising the internet, while trying to undertake another activity which requires a fair degree of skill, does distract from that skill," he says.

"In particular, we have dealt with a workplace fatality where an employee was using a mobile phone while walking in a high-traffic area and was run over and killed."

In white-collar environments the distraction issue is seen as a productivity issue more than a safety threat, he adds.

"In the same way in which people spend too much time gossiping around the water cooler, spending too much time playing apps on your iPhone can cause distraction and lost productivity.

Consequently, offenders should be counselled and disciplined regardless of whether their actions pose a safety risk, he says.

In most cases, the problem of distraction will not warrant an outright ban on mobile phone use. However, there are some environments where "all distractions need to be utterly removed", Robinson says.

"You wouldn't want to have someone who's in charge of say, Lucas Heights nuclear facility on the mobile phone, or an air traffic controller," he says.

### **OUTRIGHT BANS ARE RARELY THE ANSWER**

Even if mobile phone use does not pose a serious safety threat, the importance of having a policy to provide clear guidance is a "no-brainer".

"In the same way that businesses have email and internet policies, it's important that businesses also consider the use of the mobile phones," Robinson says.

Policies should describe the type of information that can be accessed on phones, outline limits as to where and when they can be used, and include guidelines around appropriate ways to communicate with colleagues and clients, he says.

In workplaces where certain areas are considered high-risk due to traffic or machinery, signage could also assist in deterring mobile phone use, he adds.

Just as there are risks in failing to address the issue, there are risks in going too far.

"In the current skills environment, it's difficult for employers to find highly skilled workers. In circumstances where an employer is considered to be going over the top or draconian, it may [become] a business employees prefer not to work in."

Although an outright ban can be the simplest option, a more "sophisticated" approach, which differentiates between the areas and activities where mobile phone use is and isn't appropriate is preferable, Robinson says.

After all, mobile phones can be "an absolutely magnificent communication tool" and a "tremendous" safety tool. Employers can advise employees of a safety incident almost immediately and have detailed discussions with managers about unfolding safety risks.

An unnecessary ban could do an organisation more harm than good, he says.

## EMPLOYMENT LAW

### IMPORTANCE OF THE EMPLOYMENT CONTRACT WHERE MISLEADING CONDUCT IS ALLEGED

A recent decision of the Federal Court places primacy on the content of a contract of employment, rather than any oral representations, in considering whether a senior executive was misled by pre-employment representations.

The contract of employment is the primary document in which the terms and conditions of employment are set out. It is important to ensure that the contract accurately captures what has been agreed between employer and employee.

### LESSONS FOR EMPLOYERS

- In considering whether an employer has misled an employee, a court will look at all of the circumstances including whether negotiations about the terms of employment occurred, whether the terms were reduced to writing, and what was ultimately agreed and reduced to writing.
- The contract of employment is typically the primary document in which the terms and conditions of employment are set out – it is important to ensure that the contract accurately captures what has been agreed between employer and employee.
- Whilst not determinative, courts will place significant weight on the content of the contract of employment when an employee alleges that representations were made that were different to what is contained in the contract of employment.
- "Entire agreement" contractual provisions or clauses stating that "no previous representations are relied upon" can be helpful in protecting an employer's position if an employee subsequently claims misleading or deceptive conduct.

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## CAREERSMULTILIST BENEFITS FOR LARGE EMPLOYERS

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- Centralised access to a huge range of experienced, **industry-specialist recruiters**
- Access to a greater volume of quality candidates via our unique **MultiListing** process, and over 100 agency databases
- A **single contact point** to streamline your job ordering, account management, reporting, invoicing & payment etc.
- Performance management of standardised recruitment processes and service levels
- A comprehensive range of **Psychometric and HR support services**
- A single, **competitive pricing structure** plus significant reduction of indirect recruitment costs

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