

# RecruitNews

News that matters for Australian employers

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## The wrong kind of innovation

The Capitalist's Dilemma

Australia's mobile app market is booming

Key employment law and tax changes

Sustainability's strategic growth

Recognising mental health in the workplace

Full time jobs lift, whilst jobless rate remains high



**Trojan**  
Recruitment  
Group





# Comments from the CEO

Welcome to the Spring Edition of the new look Trojan RecruitNews, a free bi-annual publication providing insight and news for businesses in all industry sectors across Australia.

In this edition of RecruitNews, we look into why businesses invest in the wrong type of innovations, which leads to the Capitalist's Dilemma – Doing the right thing for long-term prosperity is the wrong thing for investors.

Too often, the wrong type of innovation for long-term growth and job creation is pursued because of a perceived need to focus on making quick returns and a subsequent aversion to projects that are deemed too 'risky'. This article poses the question - What is the right type of innovation and how can a company

capitalise on its success?

We also look at the new landmark campaign, 'Heads Up', designed to encourage workplaces to take action on mental health in their workplace.

Recently launched in a joint initiative by beyondblue and the Mentally Healthy Workplace Alliance, 'Heads Up' gives businesses practical advice on the importance of mental health in workplaces.

The economy is picking up speed, business and consumer confidence is rising and contrary to the media headlines unemployment is dropping.

The recent lift in the unemployment rate to a 12-year high of 6.4 per cent, is not an entirely negative outcome as the real driver of the lift in unemployment was more people looking for work – so

the job market is in decent shape.

Also included are our regular articles on Australian industry sectors, business ethics, human resources, business technology, partnership profiles, current news articles and Trojan updates.

I hope you enjoy our Spring 2014 edition of RecruitNews and we look forward to being able to provide you with all the relevant and timely views from all perspectives of recruitment and workforce management across Australia.

Peter Melki,  
Trojan Recruitment Group  
Chief Executive Officer

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A collection of  
current and past  
news articles

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# The Wrong Kind of Innovation

## The Capitalist's Dilemma - doing the right thing for long term prosperity is the wrong thing for investors



One of the challenges in life is to know the difference between a cyclical slump and a transformation that will permanently change a business, industry, economy, lifestyle, living standard, a family's prospects or the future of a nation-state.

Clayton Christensen, the influential Harvard Business School professor who coined the term 'disruptive innovation', has laid down a new challenge for companies and businesses.

When interviewed at the 2013 World Economic Forum in Davos, Christensen, discussed what he has now called "The Capitalist's Dilemma".

According to Christensen's theory there are three kinds of innovations.

The first type of innovation is "Empowering" innovations that transform expensive products into affordable ones that

many more people can buy. Empowering innovations create jobs, because they require more and more people who can build, distribute, sell and service these products. Empowering investments also use capital — to expand capacity and to finance receivables and inventory.

The second type is "Sustaining" innovations that replace old products with newer models. Sustaining innovations replace yesterday's products with today's products. They keep our economy vibrant - and, in dollars, they account for the most innovation. But they have a zero-sum effect on jobs and capital.

The third type is "Efficiency" innovations, the ones most common in our current economy, which are the ones that reduce or simplify the processes in the creation and delivery of an existing service or product. Efficiency innovations are a natural part of the economic cycle, but these are the



innovations that streamline process and actually reduce the number of available jobs.

Industries typically transition through these three types of innovations. By illustration, mainframe computers were available to very few, were not very common to use and were incredibly expensive. These computers led to the eventual invention of the personal computer, which became more widely available to and affordable for consumers than the initial mainframe computer had been.

Today we have smartphones that are available all around the world, mini-computers to which countless people have access.

In our traditional economic cycles, all three kinds of innovations occurred within a natural and repeatable sequence.

Our current economy, however, has gone off the rails in large part because we are focused almost entirely on efficiency innovations - on streamlining and wringing bottom line savings and additional profits out of our existing organizations. We are missing out on the opportunity to open up new markets where great empowering innovations and extraordinary new profit and job creation can occur.

**This is the capitalist's dilemma:  
Doing the right thing for long-term  
prosperity is the wrong thing for  
investors, according to the tools that  
guide investments.**

Those tools, however, are based on an unexamined assumption: that capital is scarce, and that performance

should be assessed by how efficiently companies use it. The truth is, capital is no longer scarce, and our tools need to catch up to that reality.

Too often, the wrong type of innovation for long-term growth and job creation is pursued because of a perceived need to focus on making quick returns and a subsequent aversion to projects that are deemed too 'risky'.

It is argued that senior executives are afraid of depleting monetary resources - especially for something long-term - as they may be replaced by the time a project can be realized.

Market-creating innovations often take five to ten years to pay off and are a bit riskier. However, in the long run they will be more successful than efficiency innovations and performance improving innovations. They just need capital to grow.

Focusing on financial outcomes too early on in the innovation process will result in a lack of ambition. We must resolve to never begin or end an investment conversation with reference only to a spreadsheet.

Ideally, the three innovations operate in a recurring circle. Empowering innovations are essential for growth because they create new consumption. As long as empowering innovations create more jobs than efficiency innovations eliminate, and as long as the capital that efficiency innovations liberate is invested back into empowering innovations, we keep recessions at bay. The dials on these three innovations are sensitive. But when they are set correctly, the economy is a magnificent machine.

By attempting to understand and frame the capitalist's dilemma, the hope is that businesses can work through these issues to invest in better innovations and find economic prosperity.



# Australia's Mobile App Market is Booming

Australia's tech jobs market is booming with the rate of growth for tech jobs outpacing both the US and the UK.



Australia's tech jobs market is booming, with the rate of growth for tech jobs outpacing both the US and the UK, according to a new report by the Progressive Policy Institute (PPI), however the authors of the report warn that a mindset of "digital protectionism" risks stunting future jobs creation in the technology sector.

The report measured the creation of "core" app economy jobs, defined as jobs that directly "develop, maintain, or support" mobile applications. On top of these, the statistics also measured "indirect" jobs that support app developers in fields such as human resources or management.

"Since the introduction of the smartphone in 2007, a thriving new creative industry has emerged in the design, building, maintenance, and marketing of applications for these devices that now employs more Australians than the nation's well-regarded motion picture or publishing industries," says the report's lead author, the institute's chief economic strategist Michael Mandel.

PPI's research found that employment in computer related jobs in Australia has grown at 38 per cent since 2008, not only outstripping Australia's overall employment growth of 8 per cent, is a significantly faster growth rate than either the US (22.2%) or the UK (10.1%). Mandel suggests much of the growth in the broader computer systems design industry is

due to an explosion in the number of app developers.

The development of mobile apps now directly or indirectly accounts for 9.4 per cent of all ICT jobs in Australia, a rate higher than the US (8.4%) and the UK (7.6%). Likewise, the number of mobile app development jobs as a percentage of all ICT jobs in Melbourne (10.9%) and Sydney (10.7%) is not as high as it is in Silicon Valley (17.6%), however is higher than New York (10.5%), Chicago (9.5%) and London (9.3%).

"It's astonishing how fast many companies have embraced the App Economy, hiring the workers needed to develop mobile applications at a rapid rate. We are seeing the creation of new specialties and new ways to interact with customers and employees," the PPI said of its findings.

The report identified a chain reaction in employment

**"An Australian company that does app development has to hire sales people, marketers, human resource specialists, accountants, and all the myriad of workers that inevitably make up the modern workforce."**

growth from app development from around 2008 onwards, and the ability of app development to create a swag of related jobs.

In its report, PPI estimated that the Australian App

Economy employed roughly 140,000 workers as of June this year. The top state was New South Wales, with 77,000 App Economy jobs, but every state had some App Economy employment.

"Australia's app development is well positioned for future growth, and stacks up well against its international peers in terms of jobs creation in the app economy," says Mandel who recently applied the same methodology in the United States and the United Kingdom.

"Australia has a good start on the digital economy, especially when viewed from the perspective of mobile apps," Mandel says. "As this sector continues to expand globally, this opens up new opportunities for Australia to become an exporter of apps and app-related services, especially given the current international importance of English-language markets."

Mandel warns there are also important lessons in the figures for Australian government policymakers.

"It's important for policymakers to strike the right balance between essential and excessive regulation, especially in areas such as data privacy," Mandel says. "However, a general principle is that the tighter the regulations, the more obstacles in the path of the growth of the rapidly innovating app economy."

Assuming good policy, the App Economy is becoming an important part of Australia's future. That's a good thing for jobs and growth.



Source: *Jobs in the Australian App Economy*  
By Dr. Michael Mandel - July 2014.

## Round Up of Key Employment Law and Tax Changes for 2014/15 Financial Year

The commencement of the new financial year brings with it important changes to minimum wages, national unfair dismissal regulations and various tax thresholds and rates.

The following is a summary of the significant changes about which employers should now be aware.

### 1. Increases to minimum wage rates

In accordance with the 2014 annual wage review decision of the Fair Work Commission, the following changes take effect to minimum wages from the first full pay period on, or after, 1st July 2014:

- ➡ All modern award rates of pay increased by 3 per cent
- ➡ The national minimum wage for adults working full time (38 hours per

week) increased from \$622.20 to \$640.90

- ➡ The national minimum hourly rate for permanent national system employees increased from \$16.37 to \$16.87 per hour
- ➡ The default casual loading for award/agreement free casual employees increased to 25 per cent.

### 2. Key tax rate and threshold changes

- ➡ Salary cap for unfair dismissal: \$133,000 (up from \$129,300: employees paid more than \$133,000 base salary per annum cannot claim unfair dismissal)
- ➡ Superannuation Guarantee Percentage: 9.5 per cent (up from 9.25 per cent)
- ➡ Superannuation contributions

are currently scheduled to continue increasing by .5 per cent each year until the entitlement reaches 12 per cent in July 2019

- ➡ Superannuation Guarantee cap: \$49,430 per quarter - \$197,720 per annum (earnings above which are not subject to compulsory contributions)
- ➡ Redundancy tax concessions: in a bona fide redundancy payment, \$9,514, plus \$4,758 per completed year of service, is tax free
- ➡ Eligible Termination Payment cap: \$185,000.

### 3. Fair Work Information Statement

This must be given to all employees on commencement of employment.

# Sustainability's Strategic Growth

**McKinsey & Company's latest survey on sustainability revealed that businesses no longer question its importance, although not all succeed in implementing it.**



Companies are increasingly rallying behind sustainability, but as it becomes part of the company's core business, many still find it a challenge to capture its full financial, social and environmental benefits.

This is one of the main findings of a recent survey by McKinsey & Company involving 3,000 business executives from companies worldwide, which asked respondents about the actions their companies are taking to address environmental, social, or governance issues, the practices they use to manage sustainability, and the value at stake. McKinsey's findings showed that trends are changing. While firms still value reputation as important, many of them do not necessarily pursue reputation-building activities that give them the maximum financial returns.

According to executives, sustainability is becoming a more strategic and integral part of their businesses. In past surveys, when asked about their companies' reasons for pursuing sustainability, respondents most often cited cost cutting or

reputation management. Now 43 per cent say their companies seek to align sustainability with their overall business goals, mission, or values - up from 30 per cent who said so in 2012.

The report identified six key trends in how companies address sustainability issues and maximise value as they carry out their sustainability plans.

## **1 Aligning sustainability with business goals**

Companies increasingly view sustainability as an integral part of their business operations. Nearly half (43 per cent) are now looking to align sustainability to their overall business goals, missions and values. Moreover, the survey found those companies which incorporated sustainability in their organisational processes such as performance management fared better than their industry peers.

## **2 CEO's viewing sustainability as a top priority**

As sustainability becomes increasingly central to the business agenda, it is also climbing higher on the priority lists of CEO's. Almost half

of the 281 CEO's polled by McKinsey said sustainability was a "top three" priority on their agenda. Prioritising sustainability meant that companies were pushed to integrate it in their core business.

Accountability was also an increasing concern as more executives (up to 34 per cent from 23 per cent in 2011) noted that too few people at their companies were accountable for sustainability, while those companies that were not pursuing sustainability activities said their leaders did not prioritise taking action.

## **3 Approaches to reputation management differ by industry**

McKinsey found that there was no clearly defined or common view of how sustainable practices factored into a company's reputation management efforts, although it was considered to have the highest value-creation potential for many industries. For example, manufacturing and technology industries put high value on implementing policies on ethical issues



and business practices, while financial and extractive industries gave less value to it. Extractive industries were found to give high value to economic investments in communities where their companies operate as compared to the manufacturing sector.

#### **4 The most important reputation-management activities are not necessarily the most pursued**

The survey showed that there was no one-size-fits-all approach to reputation management, and that industries varied widely in terms of what they did and how much action was being taken when it came to reputation. But respondents mostly cited customer communications as an activity that maximised financial value and was also being pursued the most.

Companies were also putting more efforts on pursuing activities that were not necessarily the most important to maximising financial value. For example, changing core business practices to improve their reputation was pursued by only 41 per cent of the respondents, only second most important after communicating sustainability activities to customers.

#### **5 Companies benefit from setting clear targets**

McKinsey identified five

common characteristics of companies that have successful sustainability programmes compared to their industry peers:

- ➡ Sustainability leaders were almost five times more likely to set aggressive external targets or goals than all other respondents
- ➡ They were about four times more likely to have a unified sustainability strategy with clearly articulated strategic priorities
- ➡ They were three times more likely than other respondents to set aggressive internal goals for their sustainability initiatives
- ➡ They were three times more likely than other respondents to achieve higher employee engagement
- ➡ The financial benefits of sustainability were clearly understood across the company.

The survey also reported that these companies took more action to manage the life cycles of their products, which made it easier for them to realise value from sustainability.

#### **6 Organisations are good at setting directions, but they struggle with implementation**

The survey looked at how organisational practices reflected successful sustainability programmes. 58 per cent said sustainability was fully or mostly

integrated into their companies' culture, but only 38 per cent included it in performance management.

Companies performed well when it came to fostering an open and honest dialogue around sustainability, as well as supporting innovation and creativity through their programmes. However, they struggled with executing and delivering results due to weak implementation strategies - such as promoting employee motivation, capability building, giving financial incentives, incorporating sustainability in employee's performance assessments and offering career growth opportunities to top sustainability performers.

Overall, there's no single formula for sustainability success, but McKinsey suggested that companies can gain more value from their sustainability efforts by looking into these approaches:

##### **Extend the product life cycle.**

Companies should begin investing in ensuring the "circularity" of their products, either through repurposing the end of life of products, up-cycling or ensuring the biodegradation of the products. On raw materials alone, companies could potentially save more than US\$1 trillion per year.

##### **Look to technology.**

The survey found that only 36 per cent of respondents incorporate sustainability in data and analytics work. The firm suggests companies should spend more time on how to integrate their technological capabilities into their overall sustainability agenda.

##### **Focus your strategy.**

Whether it's economic development or changing business practices, companies should develop a strategy that made up of not more than five clear, well-defined priorities.



*Source: McKinsey & Company - Sustainability's strategic worth: McKinsey Global Survey results, Jul 2014*

# Key lessons learned from the anti-bullying tribunal



Since 1st January 2014 the Fair Work Commission (FWC) has had jurisdiction to deal with bullying complaints and order the bullying to stop. While it has no power to order reinstatement or compensation, the FWC does have considerable scope to intervene in workplace processes to deal with complaints and prevent the behaviour from reoccurring. To date, there have been 151 applications made to the FWC.

Despite business concerns about the new powers handed to the FWC, only a very small number of applications are making it through to a decision on the merits of the application, according to an FWC bullying report covering the first quarter of this year. In some of the key cases handed down in the anti-bullying jurisdiction so far, the FWC has provided useful guidance on what constitutes “repeated unreasonable behaviour”, but also raised concerns about the scope of orders it can make.

There are five key lessons that employers can learn based on the cases so far:

**1.** Past bullying conduct can be relevant, even if it occurred before 1 January 2014;

**2.** Clarification should be sought as to the time limit and geographical extent of any bullying orders that are made by the Commission or agreed to in a mediation process;

**3.** Ensure that a fair process is followed when investigating bullying complaints, and that support is provided to the applicant and respondent after those investigations have concluded so as to prevent further incidents. Management action is seen by the Commission as a whole and not just a focus on each individual step in the process;

**4.** Be aware of the potential for further rumour and gossip following an investigation and ensure all relevant parties are spoken to and advised of their obligations to keep details of the investigation confidential. Implement disciplinary action if required; and

**5.** Check your current grievance and investigation processes and assess whether they are reasonable and whether they are being implemented correctly. In some cases, consider engaging an external investigator and check that their investigation process is also reasonable.

Some crucial steps for employers to take in investigating bullying complaints include ensuring the allegations are not misrepresented, avoiding delays in investigating complaints, making sure to offer assistance and support to those involved, and never assuming that it's not required.



## Can you spot a workers' comp cheat?

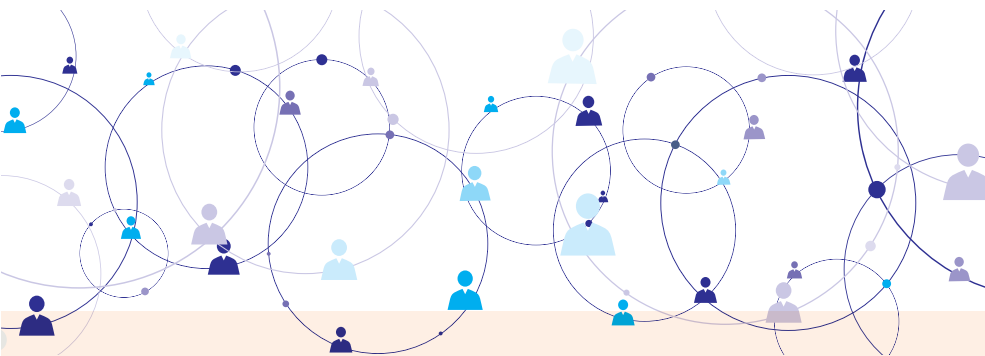
It can be difficult for employers to challenge the legitimacy of an employee's workers' compensation claim.

However according to Belinda Winter and Annie Smeaton of Cooper Grace Ward, employers who suspect there's something wrong with a compensation claim can protect themselves by being proactive by monitoring the employee's behaviour and submitting a comprehensive response to the workers' compensation regulator before the claim is determined.

Failure to take these steps is likely to result in an accepted workers' compensation claim and increased premiums for the employer.

Winter and Smeaton reported on the many triggers that may indicate a fraudulent workers' compensation claim – such as becoming aggressive when discussing a claim's issue, or the late reporting of the injury.

"Employers should proceed very carefully when acting on suspicions as they may be unfounded and in some cases unlawful. We strongly recommend employers obtain legal advice before acting on these suspicions" the article said.



## Hybrid recruitment models on the rise

Employers are engaging external agencies more often this year, but recruiters are still divided about whether this indicates a move away from in-house models, or just a change in attitude towards third-party recruiters.

Some recent reports show a shift away from traditional RPO and in-house models towards a hybrid system where internal recruiters fill volume positions and agencies recruit technical and specialist roles. There have also been cases where some employers who moved to the internal model three or four years ago have now abandoned it entirely.

There are some companies that had large internal functions that don't have one at all now, and look to a multitude of agencies to service them.

Most employers think there's a place for the hybrid model, and that the relationships that work best [are those] where both parties come to a mutually beneficial end game.

## Job ad rise a tentative sign of employment growth

The number of jobs on offer across Australia reached a record high in 2014 and next year is likely to be even better.

ANZ's latest monthly job advertisement report for July shows a 0.3 per cent rise in jobs advertised across newspapers and the internet, and is around 6 per cent higher than at the beginning of the year. Some 161,000 new jobs are expected to be added between now and May next year, although the report noted this growth is still below pre-GFC peaks of up to 300,000 jobs a year.

ANZ chief economist Warren Hogan says whilst it is a small increase, it does suggest that labour demand is very gradually improving.

"I wouldn't call it a strong labour market - it is certainly better than it was - so still very early gains and hopefully the improvement will gain traction," he said.

In the Fairfax and Adzuna Employment Forecast, it reported that employment hit a record high of 11.53 million, with an extra 92,000 jobs added in the year to August. "This may be explained by the usual delay between a pick-up in the economy and when the job market responds, a time lag [of] typically six to nine months," the report said.

"The outlook can be characterised as a continued moderate growth in employment. Business confidence, although hit by the budget, is still well up from GFC crisis levels and should rebound with a more stable world economy and especially the continued high growth rates from China (moderating from very high levels). Consumer confidence has rebounded after the budget drop and is at levels seen before the GFC."



## Electrolux - Global leader in premium home appliances

A name synonymous with premium household and professional appliances, Electrolux has more than 90 years experience servicing Australian homes, with its premium cooking appliances now manufactured in the Electrolux Cooking Products Plant in Dudley Park, Adelaide.

The company focuses on innovations that are thoughtfully designed, based on extensive consumer insight, to meet the real needs of consumers and professionals.

Electrolux appliances include dishwashers, fridges and freezers, washing machines and dryers, ovens, cooktops, rangehoods, microwaves, BBQs and air conditioners.

Electrolux designs appliances with the consumer firmly in mind, devoting a great deal of time, knowledge and thought to researching and observing people so we can anticipate their needs and wants. The result is products which not only look beautiful but are also easy and more enjoyable to use.

With a presence around the world, Electrolux is a truly international company, however with a personal appeal.

Trojan Recruitment Group commenced supply of temporary labour to Electrolux (Australia) in Adelaide SA in 2005. Trojan's relationship with Electrolux continues to grow and develop and we are committed to ensuring that our working relationship will continue into the future.

## ASC - building and maintaining Australia's frontline naval defence

Initially established in 1985 as Australian Submarine Corporation, ASC Pty Ltd is a wholly government-owned Australian naval shipbuilding company headquartered at Osborne in Adelaide, South Australia.

Chosen in 1987 as the prime contractor for the design, manufacture and delivery of the Royal Australian Navy's (RAN) fleet of six Collins Class submarines, ASC has evolved into Australia's largest specialised defence shipbuilding organisation, with naval design and engineering resources unparalleled within Australia's defence industry.

There are three main facilities: two in South Australia and one location in Western Australia.

Currently ASC has two major programs, maintenance of the Navy's fleet of six Collins Class submarines and construction of the Hobart Class Air Warfare Destroyer (AWD) project.

ASC's mission is to safely build and maintain Australia's frontline naval ships and submarines to world class performance and quality standards.

Trojan Recruitment Group commenced supply of temporary/casual production staff to ASC in 2004, and will continue to strive to be a supplier of choice.





# Recognising Mental Health in the Workplace

## A healthy workplace makes good sense

A new landmark campaign, 'Heads Up', designed to encourage workplaces to take action on mental health in their workplace has been launched by a joint initiative by beyondblue and the Mentally Healthy Workplace Alliance.

The campaign comes after a new PWC report that showed that Australian businesses will receive an average return of \$2.30 for every \$1 they invest in effective workplace mental health strategies. The Hon. Jeff Kennett AC, beyondblue Chairman, said the report provides a compelling case for businesses to back a campaign called 'Heads Up' which will give businesses practical advice on the importance of mental health in workplaces.

"This report shows that employers have a responsibility not only to their workers, but also to their businesses' profitability, to tackle these conditions at work. 'Heads Up' will provide them with a tailor-made action plan to do this and helps ensure that Australia's 11.5 million workers receive the support they need to be mentally healthy and productive," he said.

Mentally healthy workplaces are positive and productive, and get the best out of their people. Businesses that actively promote good mental health attract and retain top talent because they're great places to work. By supporting people with mental health conditions and encouraging openness, they create workplace cultures that are diverse and inclusive.

David Butt, CEO of the National Mental Health Commission said: "Workplace mental health has been a focus of the National Mental Health Commission for some time and we are delighted to see the 'Heads Up' campaign up and running."

The Commission set up the Mentally Healthy Workplace Alliance in 2013 because workplace mental health is such an important issue in the community. The 'Heads Up' campaign builds on the work of the Alliance by providing people with simple, practical information to create more mentally healthy workplaces.

In June, an action plan was introduced on 'Heads Up' website which allows businesses to create tailor-made mental health plans to implement in their workplaces to ensure they are progressing towards workplaces that are as mentally healthy as possible.



Safe Work Australia has been actively encouraging Australian business leaders to give their workplaces a 'Heads Up' by becoming involved.

In throwing her support behind the campaign, Safe Work Australia Chief Executive Officer, Michelle Baxter acknowledged the many benefits that a healthy workplace – both physical and psychological – can bring to an organisation.

"While the attention is often on a workers' physical health, focusing on physical and mental health can have significant return on investments for organisations," said Ms Baxter.

"Ignoring mental health costs Australian industry billions of dollars each year through increased absenteeism, lower productivity and more compensation claims. Importantly, managing psychological hazards and risks is required by law to ensure the safety of Australian workers" Ms Baxter said.

Managing mental health risks and hazards in workplaces benefits not only workers but also the business itself. Safe Work Australia strongly encourages all employers and workers to seriously examine the physical and psychological health needs of their workplace and implement the practical risk management processes to minimise the mental health risks to workers.

"A business that understands its requirement to protect its workers and manage mental health risks will contribute to the health and wellbeing of its workforce," said Ms Baxter



# Full-time Jobs Lift, whilst Jobless Rate hits 12-year High

Contrary to the headline, the job market is in decent shape

## THE STATISTICS

- ➔ Australia's unemployment rate increased to 6.4 per cent, with the number of unemployed increasing by 43,700 to 789,000 in July 2014.
- ➔ The increased unemployment rate resulted from increased participation (up to 64.8 per cent) with the number of persons in the labour force increasing by 43,400 persons.
- ➔ The number of people employed decreased by 300 to 11,576. The decrease in employment was due to decreased part-time employment, down 14,800 people to 3,499,200, which was offset by increased full-time employment, up 14,500 people to 8,077,400.
- ➔ Hours worked decreased by 0.9 per cent, down 14.8 million hours to 1,610.7 million hours in July 2014, however are up 0.7 per cent over the year.

## WHAT DOES IT ALL MEAN?

Contrary to the headline, the job market is in decent shape. Yes, unemployment did lift to a 12-year high of 6.4 per cent. But the real driver of the lift in unemployment was more people looking for work - not entirely a negative outcome. A healthier economy, improved job prospects, and more importantly a noted lift in job advertisement have resulted in more people searching for work, with an ongoing lift in the participation rate over the last couple of months.

The labour market at present can be described as being in a state of flux. Hours' work lifted over the past year, while an ongoing shift from part time to full time jobs is now taking place.

It is important to keep in mind that jobs growth has been solid over the past few months, particularly when it comes to full time jobs. In fact almost 110,000 full time

jobs have been created in the first seven months of 2014 - marking the best start to a calendar year in six years.

There is no question that the economy went through a lull period following the Federal budget but it has since lifted. And it is pretty clear that the transition in activity from mining to housing construction has been a case of so far so good, and more importantly housing construction will support a further lift in employment.

The Reserve Bank of Australia (RBA) is unlikely to be overly worried by the lift in unemployment. RBA business liaisons have commented on the noticeable lift in business hiring intentions and it suggests labour market conditions are heading in the right direction. Employers are working existing staff harder but as profitability improves, management will feel more comfortable increasing head count.

## WHY IS THIS DATA IMPORTANT?

If more people are employed, then there is greater spending power in the economy. But at the same time companies may adjust the work hours of employees. If employees work less hours, and therefore get paid less, then spending power in the economy is reduced.

## WHAT ARE THE IMPLICATIONS?

In the past, employment data has been volatile around turning points, but clearly the last seven months of jobs growth suggest an improvement in labour market conditions, despite the lift in the unemployment rate. Hopefully the focus in the latest data will centre on ongoing full-time job creation and more people looking for work rather than the lift in the unemployment rate.

*Source: Australian Bureau of Statistics (ABS) - 6202.0 Labour Force, Australia, Jul 2014*

## MATES in Construction Seminar



In April this year, Trojan Parramatta branch in conjunction with the Master Builders Association staged MATES in Construction Seminar at the Buildcorp Australia Post Site in Surry Hills. The seminar was held on site to raise awareness for mental health issues that are currently prevalent in the construction industry focusing on suicide.

MATES in Construction is a community development organisation aimed at reducing suicide and improving mental health and wellbeing within the Australian Construction industry. It is based on the simple idea that "suicide is everyone's business." During the seminar, Steve Lobb, one of the key speakers for the day, posed the question "How many people in this room have been personally touched by suicide." Interestingly nearly 50% of attendees raised their hand. The rates of suicide within the industry are currently extremely high, with construction workers being twice as likely to commit suicide as other people. During his talk Lobb explained the concept of "tip over points" and the importance of getting help early as well as how to identify a mate who may be tipping over.

MATES in Construction are committed to "doing something about it" so the lesson is – if you think someone could be experiencing changes that could affect their mental health we should always act.

## Trojan Tropfest - Short Film Competition



In March 2014, Trojan Recruitment Group launched a short film competition, Trojan Tropfest, which was open to all employees. The topic was 'The Trojan Way' – a standard that all employees follow through their working day, and a way that underpins the behaviors, attitudes and processes in everything that Trojan employees do.

The Trojan Tropfest mission was for employees to create a short film that demonstrates the Trojan Way, what it means to them and how they live and work the values of the Trojan Way.

Peter Melki, Trojan CEO stated "We are very proud to say that all submissions were outstanding and clearly showed that we are 'Determined People'! It was nice to see everyone getting involved in this project."

The winner of the Trojan Tropfest was the branch in Parramatta. Their entry can be seen on our YouTube site at [www.youtube.com/user/TrojanRecruit](http://www.youtube.com/user/TrojanRecruit).

## Juventus and A-League All Stars



On Sunday 10th August, Gianni Rigutto, Trojan's NSW State Manager, accompanied a group of clients to join some 55,364 fans to cheer on the A-League XI against the Italian champions Juventus at ANZ Stadium in Sydney.

The Italian football champions scored two stunning late goals to earn a 3-2 victory. It was an exciting and eventful match, and the entire group had a great night.

## Employee Spotlight



**Michelle Charles**  
**Client Development Manager VIC**  
**Years at Trojan?** 2 years

**What do you like most about your job?** I feel after 20 years in recruitment it is not just a job it is an amazing career and provides variety on a daily basis. Recruitment provides me with an amazing sense of achievement. It is about going Above & Beyond, and is a long term commitment; not just a quick fix. Trojan for me is not just another recruitment company - we are part of a family that support and inspire each other every day.

**How does your role contribute to Trojan's goals?** I believe in Trojan's values. I live and breathe our values every day at work and in my home life. I am a person who has integrity and is always honest, my clients will tell you this. Near enough is not good enough. Service, safety and the ultimate in customer service is what I strive for every day. Long term relationships, persistence and my tenacious attitude has built a world of trust with them.

**What is the greatest challenge in your role?** Challenges are part of recruitment which is why I am passionate about it – if life didn't provide them it would be pretty boring. We can say things are challenging but to me they are little bumps in the road. If we are determined and focussed we can solve, resolve or provide a great outcome.

**How do you obtain work life balance?** My family are extremely important to me. They are my world. I have two grown up children, two beautiful dogs and oh let's not forget a husband of 27 years, and to top it all off I am extremely fortunate that I have another family and that is the Trojan Team in Melbourne who are my home away from home.



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