

# The Times They Are A-Changin’

**Australian mobility professionals must be tearing their hair out. An ever-constant wave of change to deal with has resulted in Australian mobility becoming increasingly complex to manage. Legislative changes and shifting migration trends require Australian mobility professionals to become jugglers, balancing the needs of the company versus available resources. We highlight some of the issues they are dealing with and shine a spotlight on some solutions that might prove fruitful.**

We expect there to be Australian legislative changes each year. However, the last 12 months have seen a raft of amendments that require more than just a tweak to current policy and practices. Last year heralded substantial changes to the concessional tax treatment of fringe benefits tax for living-away-from-home-allowances (LAFHA) and benefits. Previously, companies with long-term temporary foreign workers could expect to benefit from reasonable concessions on everything from housing, education, food and airfares. The Australian Government decided to tighten this concession and companies were forced to completely rethink remuneration packages.

Let’s be honest. The LAFHA concessions had enabled companies to entice overseas workers with promises of benefits that they maybe wouldn’t have otherwise been able to afford. The changes have resulted in widespread issues with disgruntled employees seeing their ‘assignment carrots’ disappearing. Businesses have either had to manage the fallout and convince employees to still stay, or continue the benefits at greater cost. The ripple effect on many service providers, particularly within accommodation and education sectors, is still being realised. Astute mobility professionals may need to develop remuneration packages that cater for individual needs instead of a generic offer that may not be as enticing or cost-effective.

The Australian Government also decided to implement tighter control on the issue of Temporary Work (Skilled) visa (subclass 457). The subclass 457 visa is the most commonly used visa scheme to sponsor overseas workers on a temporary basis up to four years. Companies have been required to demonstrate that there is a genuine job that fits within the 457 visa eligibility criteria,

and that they are genuinely training local workers and where they are investing in that training. Companies also have to meet new Labour Market Testing rules and ensure roles are being advertised before being filled from offshore.

Historically, the mobility, learning and talent functions have been managed in silos with little interaction. These groups now need to work together by necessity to formulate policies and practices that will fit within the new rules. Not necessarily a bad outcome, but not easy to manage either with potentially conflicting motivations and business pressures. This co-operation may, however, be an inventive way to handle the limited resources that mobility professionals are often faced with, whether from a personnel or budget perspective.

These changes have certainly been taking up a lot of time. Imagine the dismay of mobility professionals when they then learnt about the biggest overhaul of Australian privacy legislation since the commencement of the Privacy Act 1988 (Cth)(the ‘Act’). The Act includes a new set of privacy principles that will regulate the handling of personal information by businesses. The new Australian Privacy Principles (APPs) are significantly different from the prior principles and are creating more hurdles for human resources to jump over, in particular, the international flow of personal information. Companies are now required to disclose what information they are sharing and storing with overseas entities and 3rd parties, and how sensitive information will be collected, stored, protected, used, updated and disposed of. What does this mean in practical terms? As a start, a review of all existing policies and procedures that deal with personal information.

Australian mobility professionals are also continuing to be faced with increasing issues around talent retention resulting from the challenges of the Australian employment landscape and the draw from the growth economies such as Asia. According to the ERC Mobility December 2013 article on Global Talent, “How the New Geography of Talent will Transform Human Resources Strategies” by Oxford Economics, the 22 countries with the highest talent deficits anticipated in 2021 will include Taiwan, Japan, South Korea, Thailand and Singapore, all of

which are at Australia’s doorstep. The lure of well-paid Asian roles continues to entice highly motivated, educated, talented and upwardly mobile Australian professionals. The fight to retain key talent is an uphill battle and requires flexible and responsive international relocation policies that will support expatriates throughout their journey. However, historically only a few Australian based companies can boast of fully developed and well thought-out international relocation policies, a situation that will need to be rectified. Resourceful mobility professionals should also look to align assignment strategy with the broader talent agenda.

It is not uncommon to find Australian organisations also seeking to capitalise on Asian growth opportunities by launching their employees into new countries with the previously successful and Australian practical approach of “just need to get my gear from here to there and she’ll be right”. With the increasing complexity of immigration laws, tax, company governance issues, security concerns and cultural gaps, this approach is very dangerous. Not only is there a risk of business ventures failing, but high risks of employees being put in difficult and risky situations. The company will be considered liable for non-compliance in immigration and employee’s actions and behaviours in foreign countries. Companies therefore need to make careful plans to ensure the success of their commercial ventures. Mobility professionals need to protect these employees with international relocation policies and procedures that address these concerns.

Company decision-makers also need to be convinced by mobility professionals that a holistic approach to the entire family is the key, and that cross-cultural training is vital. Without the tools to communicate and integrate effectively, there is a strong possibility that the relocation will fail. Companies need to understand these cultural differences and be prepared to embrace them, in order to ensure the longevity of their global workforce.

Another trend developing in the Australian market includes the outsourcing of services to offshore centres for HR administration, shared services and accounting payables to take advantage

of high capabilities and lower cost wages in regions such as Asia. This trend is more and more evident in the Australian market. It is not unusual to come across Australian owned enterprises that have off-shored their entire administrative management of HR benefits, payments of invoices and payroll functions. While there are demonstrated benefits of this approach there can also be a mountain of challenges. It is often left to the human resource or mobility professional to iron out these issues. According to the Deloitte Debate of 'Does HR Outsourcing Really Work?' it requires clear expectations, custom solutions instead of one-size-fits-all, to treat the vendor as a partner, and a focus on achieving business results that are realistic, measurable and allow for continuous improvement.

According to the latest Ernst & Young Global Mobility Effectiveness Survey 2013, 40% of companies surveyed did not have a risk control framework to monitor payroll, tax and social security compliance. In addition, only 30% of companies surveyed had a system in place for tracking business travellers. Technology can play a vital support role for both domestic and international mobility programmes. There are a variety of IT systems that can automate, simplify, track, monitor or expedite mobility processes which is important in an environment where an agile workforce is key to being competitive.

To manage these issues the role of the mobility professional in Australia needs to change, and will continue to change rapidly as corporations focus on expansion strategies into new markets. As the economic environment continues to be uncertain, C-suite leaders are beginning to grasp the importance of domestic and global mobility in driving growth

initiatives. Across industry sectors there is a perceptible change in the status of the mobility function and this presents a great opportunity for the mobility professional of today. Expect to see astute companies moving the mobility function closer to the business as a support function.

Managing Australian mobility in a time of significant change is not easy by any stretch of the imagination. Mobility professionals would be wise to recognise the challenges and investigate the variety of solutions that may suit. Whether this is reviewing policies and practices, seeking advice from like-minded mobility industry professionals, or researching available technologies, innovation, flexibility and resourceful teams are key to staying ahead of the change game.

Article written by Industry Steering Committee Members of The Employee Mobility Institute. Jon Johnson: Deloitte Australia, Wendy Jenkins: Moving2plan, Sue Latina-Cohen: Toll Transitions and Robyn Vogels: Personnel Relocations.

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With nearly 30 years' experience in the field of strategic global mobility programme design, integration and optimisation, Deborah is a seasoned practitioner recognised for creating leading edge customised employee mobility solutions. Deborah has assisted many multinational organisations across varying industry sectors to develop fit for purpose global mobility functions. Having longstanding and respected working relationships with industry vendors around the world, Deborah launched The Employee Mobility Institute in April 2013.

The Employee Mobility Institute is Australia's peak industry body supporting Australian organisations navigate the complexities associated with moving personnel across country or state borders. In today's complex business environment, where globalisation and expansion are high on the corporate agenda, The Institute's mission is to advocate, promote, represent and grow the Australian Employee Talent Mobility Industry.

Visit [www.employee-mobility.com.au](http://www.employee-mobility.com.au) for further information.

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