

GOVERNMENT HEALTH WORKERS — WAGE OFFER

Motion

HON HELEN BULLOCK (Mining and Pastoral) [10.08 am]: I move without notice —

That, in light of the massive increases to household bills including a 77 per cent increase in electricity tariffs, a 40.35 per cent increase in water rates and the 23 per cent increase in gas prices, this house calls on the Liberal government to increase its offer of an 8.25 per cent pay rise to the government health workers.

I met Jean Black two weeks ago. She is a cheerful, caring lady who has lived in Kalgoorlie for 25 years and has worked for Kalgoorlie Regional Hospital for the past 20 years. She loves her job although she is not paid very well, but she reckons that she gets by all right and she can also save a bit to support her grandchildren, which gives her great pleasure. They are her words. She was trained as a patient care assistant, but she reckons she works as an all-rounder. Sometimes she can be a nurse, sometimes she can be a cleaner and sometimes she can be a tea lady. She has no complaints and is happy to help out whenever and for whomever it is needed. She does not want much, but she is disappointed with the government's pay increase of an average of \$15 a week, locked in for the next three years. She is frightened that with the cost of the contents of her shopping basket rising each year and the dramatic increase in utility bills in recent years and in future years she might not be able to maintain her current standard of living. She came to see me as a delegate of the Liquor, Hospitality and Miscellaneous Union, hoping that I can put that point to the government and have it understood. I told her that I could certainly do the first part for her.

In the past few weeks I have gained a better understanding of the cycle of our health system and our hospital services. I took a family member to Royal Perth Hospital and had him checked in by a nurse in the emergency department. After more than three and a half hours waiting, he was then examined by a doctor for diagnosis. After the diagnosis, he was detained to have an operation. He was then transferred to a unit and cared for by nurses and patient care assistants until the operation was carried out. Meanwhile, the room was cleaned and the meals were delivered. The operation took longer than expected due to complications. After the operation, the patient was then transferred to the intensive care unit for close observation and was then transferred to a recovery ward. During the two and a half weeks before he was discharged from hospital, he was cared for by doctors, nurses, patient care assistants, cleaners, kitchen staff and those who work behind the scenes, whom I did not see.

As somebody who has not stayed in hospital during the past 19 years, I am quite impressed with our health service system and with our hospital system. There is no doubt that the doctors play a very important role in this cycle. They are professionals with special knowledge, but without the assistance of others, I do not think that they could perform their job properly. The health workers' duties are more important and valuable as well. They may not require specialist skills, but without them a hospital cannot function properly and the whole cycle breaks down. The jobs they do should be acknowledged, valued and appreciated. A \$15 a week pay increase for the next three years is not appreciation—it is in fact an insult.

A spokesman for Bill Marmion, Minister Assisting the Treasurer, said that the offer to the health workers would maintain their real wage levels against inflation. But those who have looked at the website of the Australian Bureau of Statistics will have seen that it clearly states that the inflation rate in 2010 to the month of June was 3.1 per cent nationwide, and for Perth the inflation rate for the same period was actually 3.5 per cent, whereas the government offered to health workers 2.5 per cent, 2.75 per cent and three per cent for the next three years. How can this offer enable the health workers to maintain their real wage levels?

The consumer price index is often used as the indexation measure for wages, salaries and pensions increases. It is defined as a measure estimating the average price of consumer goods and services purchased by consumers. The current CPI figure does not take into account increases since 1 July in the cost of utility bills, such as those for electricity, water and gas. These are the costs that have hit Western Australian families very hard. The government is very aware that more increases are on the way in future years. There will be a 77 per cent increase in the cost of electricity over the next three years; a 40.35 per cent increase in the cost of water rates over the next three years; and a 23 per cent increase in gas prices, which was approved by the government last year and which will be realised from July of this year and is on the way. All these increases really need to be taken into account on top of that CPI indexation when we are talking about maintaining real wage levels.

As I mentioned, families are hit very hard by such increases. These are not the only costs that have been increased. Other things like public transport costs, storage levies, landfill levies and council rates have also increased at a very high rate. Ordinary families are struggling to cope. Workers such as Jean Black work hard and work long hours to try to make ends meet, and they do not have any other means to earn extra income. They

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really rely on their day-to-day wages. They are the so-called low-skilled workers, but they are vital for the day-to-day functioning of our hospital services. We need them; we cannot have enough of them. Every year we have to import additional health workers from overseas. It is not because nobody likes their job; it is because their jobs are so poorly paid that they hold little attraction for others who might want to go into those professions.

It is quite disturbing that the Minister for Health said, as reported in the *Kalgoorlie Miner*, that a larger increase could have been available if efficiency improvements or workplace reform initiatives to justify such an increase could be identified. That is what he said. If the minister thinks that hospitals can be run more efficiently and more effectively, the minister should hold the chief executive officer of the Department of Health accountable, not punish the lowest end of the hierarchy—health workers. The fact is that the government has the capacity to give those health workers a larger pay increase. It has offered a 2.5 per cent extra pay increase. But that is subject to seven very severe conditions.

Those conditions are that it wants health workers to accept that the references in their agreement to the prohibition of the privatisation of current services be removed; that management can change rosters at will without any respect for the wishes of the majority of workers; that anyone can be engaged on temporary contracts, thereby undermining permanent employment; that the employer can at will take 10 per cent of an employee's wages to repay any overpayment; that employees will be denied the opportunity to use statutory declarations as proof of illness in claiming sick leave; that employees may be transferred from hospital to hospital without their agreement and potentially to their detriment; and that the rights of union delegates to represent workers can be reviewed and restricted by arrangement. I say to health workers that before they trade away their rights, they should think very carefully about those rights that affect their job security and their quality of life, such as rostering provisions, and their right to be represented at work by their union. These rights have been improved over the years. The workers need to hold on to these rights and pass them on to whoever takes over their jobs.

To the government, I say please do not rob the powerless and weak. Be generous to them. Protect them. They are the foundations of our society. They are not asking for a 25 per cent or 12 per cent annual increase as this government so generously gave to the CEOs of Verve Energy and Western Power. I am not asking the government to be so generous because I know it would not do it. All I am asking is for the government to put its hand on its heart and justify the offer of an 8.25 per cent increase locked in over the next three years, given that the consumer price index is 3.5 per cent in Perth and in light of the dramatic increase in household bills for things such as electricity, water and gas, on top of everything else. The government should think about this.

HON NORMAN MOORE (Mining and Pastoral — Leader of the House) [10.23 am]: I want to respond quickly to the industrial relations matters. A couple of my colleagues will respond to the issues relating to utility prices. I say at the outset that the government does respect and appreciate the considerable efforts made by public sector employees. Indeed, the vast majority are very dedicated, hard-working employees who provide an excellent service for the people of Western Australia. In our view, it is in stark contrast to the views expressed by the Leader of the Opposition in today's *Kalgoorlie Miner* when he made some extraordinary disparaging remarks about employees who work for the Department of Mines and Petroleum. I will deal with that on another occasion. To suggest that they are incompetent and not doing their job properly is a very nasty reflection on the hard work that these people do. Mr Ripper needs to have a good hard look at what he was trying to suggest.

With respect to this motion before us today, I want to indicate in broad terms the government's wages policy for the public sector and also the progress that has been made on the specific wage claim that Hon Helen Bullock spoke about today. The wages policy seeks to provide an appropriate balance between encouraging greater efficiency and productivity in the public sector and protecting real wages for employees. During the term of the previous government a blow-out in public sector employee expenses and numbers saw an average increase in total wages of 9.6 per cent per annum. This accelerated to 11.7 per cent in 2007–08 and 12.6 per cent in the 11 months to May 2009. Growth of that magnitude is not sustainable in the WA public sector because the wages bill in the Western Australian government's budget is about 40 per cent of total government recurrent spending. Increases of that magnitude are simply not sustainable in the context of the state budget.

The policy that we are adopting allows for increases that will maintain the real value of wages while requiring improved efficiency and work practice reforms where increases above the consumer price index are proposed. Total wage increases are capped at the level of projected growth in the WA wage price index, as published periodically by the Department of Treasury and Finance. Fundamentally, the government seeks to have a policy that provides for regular CPI increases and additional wage rises where productivity and efficiency improvements can be demonstrated. In my view, that is a proper way to manage these issues.

I want to quickly go through the process that has occurred with the government health workers' claim that Hon Helen Bullock referred to. In March 2010 an offer of 8.25 per cent over three years in line with the midyear CPI

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was made to the Liquor, Hospitality and Miscellaneous Union, which represents this group of workers, of whom there are 3 879 full-time equivalents. The offer indicated that an increase up to the midyear review wage price index was possible if efficiencies to justify that increase could be identified. The union is seeking an increase of \$150 per week over a three-year agreement—\$50 plus \$50 plus \$50—and enhancements to job security. The increases sought are clearly in excess of those available under the public sector wages policy. The union rejected the government offer and indicated on 22 July 2010 that it would consult with union members about a response. The figure of 8.25 per cent referred to in the motion is not accurate. In fact, a revised offer was provided to the LHMU on 28 July 2010. That offer provides for increases of nine per cent over three years based on the budget CPI. The union has not formally responded to this improved offer. The offer indicated that an increase up to the budget wage price index, which is 12.25 per cent over three years, was possible if efficiencies to justify that increase could be identified under paragraph 4(b) of the public sector wages policy. That policy states —

Requiring any increases above projected CPI growth to be linked to improved efficiency / work practice reform initiatives, assessed on a case-by-case basis by the Economic and Expenditure Reform Committee ... and included within the proposed agreement. The business case for wage increases in excess of CPI growth must be justified by quantitative assessments of the value of improved efficiency / work practice reform initiatives where this is feasible.

I am suggesting that under that particular policy a wage increase of up to 12.25 per cent is possible if efficiencies can be identified to justify this increased offer. It is a fact that employees represented by the Liquor, Hospitality and Miscellaneous Union in the WA health system have enjoyed significant real wage increases over recent years. It is the government's view that their wages remain competitive and fair. The government's position has been the subject of careful consideration by the Department of Health, the Department of Commerce and the Department of Treasury and Finance, and is consistent with wages policy.

The public sector wages policy of the government is being implemented for this claim. It is going through the normal processes. The offers that have been made to these employees are in accordance with the wages policy, and there is provision for an increase in the ultimate payment to these employees on the basis of improved efficiencies or productivity. The government will continue to seek to implement its wages policy in an endeavour to ensure that we do not completely blow the budget by having the sorts of wage increases that occurred under the previous government. As I mentioned, wage increases under the previous government averaged 9.6 per cent per annum, with increases of 12.6 per cent in the 11 months prior to May 2009, which was clearly prior to the last election. It is clear that wage increases in the public sector are simply not sustainable in the long term when increases of that magnitude have occurred. It is necessary for us to have a policy in place that has certain guidelines. I have indicated to the house what those guidelines are. However, the policy also provides that additional wage increases can be provided in the event that efficiencies and productivity improvements can be identified and sustained in the context of increased expenditure by the government for those employees.

The motion talks about not only this particular wage claim but also the effect of increases in household bills relating to electricity prices, water rates and gas prices. As the Minister for Energy is a member of this chamber, he will respond on why those increases in electricity and gas prices have occurred. Hon Helen Morton, who represents the Minister for Water, will comment on the increase in water rates, assuming she has the opportunity to get the call. The government does not support the motion. The government believes that it is carrying out a sustainable wages policy, and one that will ensure that it can deliver fair and reasonable wage outcomes within the context of its budgetary situation.

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [10.32 am]: Many Western Australians are struggling under the callous cost-of-living increases that have been imposed by the Liberal government. Much attention has been focused in the last couple of months—indeed in the last couple of weeks—on seniors on fixed incomes, whether they are pensioners or self-funded retirees, who have been turning off their heaters in one of our coldest winters and going without hot showers. Somewhat less media attention has been given to the silent Western Australians—that is, the Western Australians who work in jobs which we rely on but for which they are paid relatively low wages. Our motion draws attention to the fact that when we add up the increases that have already been imposed on Western Australians and those that are projected to occur, based on the government's own document—the budget—there will be very significant increases for people on relatively low wages.

I note that some government hospital support workers are in the gallery today. I welcome them to Parliament to listen to this debate. Government hospital support workers are at the frontline of infection control in our hospitals. They are the ones who literally clean up to ensure that our hospitals stay safe. They prepare the food, transport patients around hospitals to various procedures, work on the wards as part of the clinical team as enrolled nurses, or ensure that the hospital has the equipment it needs when and where it needs it. All those

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people are working for relatively low wages but are doing essential work to keep our strong public health system working and looking after Western Australians. The bulk of them, on the average classification, are on a base rate of around \$41 000 a year. That is what they are earning as the base rate. The range in wages goes from \$38 000 up to the massive wage of about \$51 000 a year for the highly skilled enrolled nurses. That is what they are earning to do this really important work for us. The government has imposed a series of price increases to utilities—the basics that we need to live our lives—which has put those workers under severe financial pressure. These people pay rent or mortgages. They have families. They have kids at school. They have financial obligations. They are not marginalised people on the extreme of our community who, for a range of other social reasons, cannot manage their household budgets. They do not get themselves to the point of disconnection of their utilities. They pay their bills on time; they do not let their bills slip. But when they have to pay extra to meet a \$500 increase in their electricity bills, for example, it means that they are going without something else. They are proud of the work they do and the fact that they play an important role in delivering first-class health care in Western Australia. They are also proud to be earning money to ensure that their kids can perhaps aspire to do something different. They want the best for their children. They want to earn money to support their families and to ensure that their families can reach their full potential. They are ordinary working Western Australians whom this Liberal government is putting under intense financial pressure. *The West Australian* is running a campaign on this issue every day. All over the state charity organisations are reporting that they are dealing with a new class of client—people who have never before found themselves in a position of needing to ask for assistance with food, to pay a bill or to manage their family budgets. Securing a decent living wage for these people is not about them being able to put aside more for their children's education; it is about ensuring that the electricity stays on and that they can pay their water and gas bills. The government offer of around 50c an hour will not cover the costs that are being imposed.

We heard a couple of points from the Leader of the House. One was that the government's wages policy maintains the real value of wages. It does not. When the increases imposed by the same government are going up at such a massive rate, the government's wages policy does not maintain real wages. The other point he made was that wages growth under the former Labor government was at an unsustainable level. That was wages growth in the middle of a boom, when a cleaner at Chicken Treat in Karratha was earning more than someone who worked at Karratha Hospital in the classifications we have referred to. To attract and retain government staff in Western Australia, wages had to increase. We can ask any agency that was trying to recruit at that time whether it needed to put together special recruitment and retention packages. That had to be done in child protection, because it was the only way to get people to work for government, as people could earn a lot more money in a mining company offshoot or a resources industry. The other point that needs to be made is in response to the claim by the Leader of the House that the government is under budgetary pressure, which is why it needs to keep wage increases so low. This is a government in surplus. It is not in deficit. Government income will increase. The global financial pressures that the government was under when it came to office —

Hon Michael Mischin interjected.

Hon SUE ELLERY: The honourable member will get his chance to participate. This is a limited debate. I will continue. Worse than that, wage increases will be given to these workers only if they accept two conditions, which will in fact increase stress on their families. They will get that money only if they agree to remove the no-contracting-out provisions in the enterprise bargaining agreement. They will get that money only if they agree to remove their current protection from being sold off. During the last period of the former Liberal government, it was a race to the bottom, particularly in the cleaning industry, as contract cleaning company after contract cleaning company put in lower and lower bids. The only way that they could keep their bids so low was to cut the wages of the people they employed. People working in hospitals now have seen this government do this before, so they object to taking out the clause that says the government cannot contract out their work. They object to that. That is one of the efficiency measures that the government is asking them to undertake in order to get a 50c an hour pay increase.

Hon Ken Travers: Disgraceful! I wonder what the Amendola report says!

Hon SUE ELLERY: That is another question, but I do not know whether I will get time to address it. However, we do not actually know what the Amendola report says —

Several members interjected.

The PRESIDENT: Order, members! It has been mentioned that this is a very limited debate and members all have limited time to speak, so let every member on their feet have the opportunity to use that time, please.

Hon SUE ELLERY: Thank you, Mr President. What does the Liberal government offer to assist those working families who are on a low wage to meet the costs that they now face through increased electricity prices in this

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past year and that are predicted in future budgets? They can apply for the hardship utility grant scheme, but people can apply for that for only one bill a year and only if their electricity is at risk of disconnection.

Hon Peter Collier: It is not.

Hon SUE ELLERY: That is the case; the minister should read his own guidelines! People can apply for HUGS only if they are at risk of disconnection. The point is that these people are proud working people. They will not be at the point of disconnection. They will go without other things and they will live with the consequences of the financial stress, but they will pay their electricity bills. These proud working people will not let their electricity be cut off. Therefore, HUGS will not work for them.

The very real assistance that this Liberal government can and should provide these people is, as a responsible employer, ensure that they have a decent living wage that meets, at least, the very costs that the government has imposed on them. That is the way that this government as an employer of more than 5 000 people in the public health system can assist people. These proud working people will pay their bills on time, but they need a wage that will ensure that they can pay their bills on time. They will not access HUGS and they will not ask for handouts; they will say that they want to continue to work and they want a wage that helps them pay their bills so that they can meet the aspirations of their children.

Western Australia is a great prosperous state and that prosperity is clearly working, but not for all. Premier Barnett and the Liberal government can ensure that that prosperity is shared by all by ensuring a decent living wage for the almost 7 000 public-sector health employees in Western Australia.

HON PETER COLLIER (North Metropolitan — Minister for Energy) [10.43 am]: I will make a few comments on this motion, particularly in relation to the unfortunate utility increases over the past two years and what the government is doing to help the community cope with those electricity increases.

Coming into this portfolio, I was faced with the unenviable prospect of moving towards a cost-reflective tariff for electricity increases or continuing to bail out Verve Energy to the tune of literally hundreds and hundreds of millions of dollars. That would be the true cost to the Western Australian community because hundreds of millions—billions—of dollars would not be able to be spent on service industries, schools and hospitals right throughout the state.

Hon Sue Ellery: You're not spending on them!

Hon Kate Doust: You're not spending it anyway!

Hon PETER COLLIER: I am not taking interjections; I am using the precedent of the Leader of the Opposition —

The PRESIDENT: Order! I just explained that there is limited time for members to make comments in this debate. Everybody is entitled to have that time without interruption.

Hon PETER COLLIER: Thank you, Mr President. As a result of the fact that the previous government did not increase electricity tariffs by one cent from the time it came to office until —

Several members interjected.

The PRESIDENT: Order! I feel like a parrot just repeating myself! The debate needs to proceed without interjections.

Hon PETER COLLIER: As a result of that, in April 2008 the then Premier was given a draft report about projected tariff increases. That draft report said that in order to get to cost-reflective tariffs, there would need to be increases of 47 per cent, 15 per cent and two per cent. The then Premier's response in April 2008 was that, although the government was committed to cost-reflective tariffs, there would not be an increase for 15 months, after which there would be a 10 per cent increase. That was totally irresponsible; but the reason for that decision was an election was coming up in 12 months' time and the previous government did not want an increase in electricity prices during that time. Therefore, the previous government put down the economic and social welfare of this state; it abused its privilege for political expediency. That is exactly what that decision was all about.

When we came into office in September 2008, I was made Minister for Energy. In January 2009 the Office of Energy gave me its final report on electricity increases. As a result of increasing pressures on the electricity industry, the unfortunate situation was that in order to have cost-reflective tariffs we needed to have recommended increases of 52 per cent, 26 per cent and 13 per cent. We could not in all conscience impose upon the Western Australian community increases of that severity but we needed to be mindful of the fact that if we did not increase tariffs significantly, it would have a detrimental —

Point of Order

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Hon HELEN BULLOCK: This motion has nothing to do with wanting an explanation of why the utility bills increased. All this motion wants is for the government to take into account that utility bills have increased when talking about wages policy. Therefore, I hope that the minister will read the motion again and see that we are talking about the issue of health workers' pay increases and not why electricity bills have increased.

The PRESIDENT: The point of order has been raised on relevance. The motion refers to electricity tariffs. I assume that the Minister for Energy is explaining a bit of background to that, but I also assume that he will very quickly get on to the substance of the motion, which refers to the consequences of that decision.

Debate Resumed

Hon PETER COLLIER: Thank you, Mr President, and I take on board what you said. That is exactly what I said at the outset of my comments, I must say. As I said, I will explain why we needed the tariff increases with such urgency and then look at what the government is doing to assist the public.

Several members interjected.

The PRESIDENT: Order! Nobody can interject; it is very unreasonable for anybody to interject in a debate like this, so we will proceed on that understanding.

Hon PETER COLLIER: As a result of that, when we came into office we made the unfortunate but necessary decision to increase tariffs by 10 per cent and 15 per cent—25 per cent last year—a cumulative increase of 26.5 per cent, and then 7.5 per cent and 10 per cent this year to get to a point at which it took pressure off the state to have to bail Verve Energy out. That does not account for the 77 per cent increase referred to in the motion. I do not know where the 77 per cent figure came from because it is manifestly inaccurate. Having said that, it was not a decision that I took lightly and it was not a decision of government that we wanted to increase electricity tariffs by such a significant amount. We are very conscious of the impost that it has placed upon the Western Australian community, not only those people in hardship, but also the community at large—people on fixed incomes, pensioners et cetera. The government is very conscious of that impact, which is why we increased the hardship package significantly.

Hon Ljiljanna Ravlich interjected.

Hon PETER COLLIER: I do not think that even that would work. We were applauded across the energy sector and by the federal energy minister, Martin Ferguson, for increasing tariffs while ensuring that we looked after those in hardship. That was consistent. As I said, we have taken the responsible yet necessary decision to increase electricity tariffs, but we are very conscious of the fact that as a result of that, people are really struggling. I stated in cabinet—the Premier and my cabinet colleagues were very supportive—that we had to ensure that we provided sufficient support for those people who are struggling. Last year we increased the hardship package by \$12.6 million, and this year by a further \$18.8 million. That is a combined total of \$31.4 million. That means that rebates went up at a corresponding rate, and there was a raft of other initiatives. I will go through the areas where we assisted the community to ensure that people were provided for and assisted as best as possible.

Point of Order

Hon KATE DOUST: I am still waiting to hear the minister talk about the relevance of these workers and their pay rise, rather than his standard ramble about electricity prices. I ask the President to direct him to speak to the words of the motion about the pay rise for these workers.

The PRESIDENT: When the first point of order was taken, I think I made it clear that I assumed that the minister was giving a preamble on electricity tariffs, and I also assumed that he was coming to the consequences of those actions. I heard him use the term “consequences”, and I invite him to pursue that because that is really the substance of the motion.

Debate Resumed

Hon PETER COLLIER: I want to make the point yet again that we are aware of the imposts that the increases place upon the community. I appreciate that there are wage pressures across a raft of different employee groups. The hardship measures that the government is putting in place will assist the very people that the Leader of the Opposition has been talking about, in a number of instances. The opportunities we are providing to assist people who are really struggling are provided for in the hardship package that we have provided. For example, there is the fridge replacement scheme. People in a private residence can be provided with a much more energy-efficient fridge.

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Hon Kate Doust: Not if they're Homeswest tenants.

The PRESIDENT: Order!

Hon PETER COLLIER: There is also the household efficiency audit scheme, through which the Office of Energy can assist people to reduce their electricity prices. These schemes will assist people who are on the incomes that the Leader of the Opposition referred to. I can assure members that those people who are struggling will get a great deal of benefit from having an efficiency audit carried out on their homes. One of the biggest problems is that we did not have any increase in electricity prices over a sustained period; it sent the wrong message to the community. Western Australia had by far the lowest prices for electricity of all the Australian jurisdictions, and there was therefore no motivation whatsoever to look towards energy efficiency. The government is assisting those on fixed and low incomes to minimise the impact of electricity increases. That is exactly what is identified through the motion.

We have also delivered the hardship energy efficiency program in regional locations, to assist, for example, workers at Kalgoorlie Regional Hospital. That is a great hospital; it is where I was born. I am very conscious of the pressures faced by those in the regions. As a direct result of that, the energy efficiency program —

Hon Ljiljanna Ravlich interjected.

Hon PETER COLLIER: Where would the member be without me?

Hon Ken Travers: I know where Alan Cadby would be without you!

Hon Sue Ellery: He was a lovely fellow, too!

Hon PETER COLLIER: The member is such a class act!

The PRESIDENT: Order! Anticipating where people might or might not be is not part of the motion.

Hon PETER COLLIER: To deliver that into the regions is an opportunity to assist those who are really struggling, including health workers in Kalgoorlie, with their energy efficiency. It is a positive and proactive step forward. We also introduced the water heating efficiency scheme in public and community housing. One of the highest users of energy is hot water systems. In this way we can assist those members of the community referred to by the Leader of the Opposition and Hon Helen Bullock to reduce their electricity tariffs. The government is very proactive. We are also ensuring that we do something for the future of these workers. We are looking at the electricity tariff structure and a block, tiered system, which is something the previous government did not do. This is a reform that will inevitably impact positively on all members of the community. However, we will not introduce the block system if it will not assist those who are least able to pay. We will not introduce a block tariff structure if it disadvantages those on struggle street, but we will look at the tariff system in its current structure. We are working very closely with WACOSS in this area. WACOSS represents a number of the people who have been referred to in today's debate. We will ensure that if we do change the tariff structure, it will assist those who are least able to pay and it will be a meaningful reform to take account of the fact that we are moving towards cost-reflective tariffs, and that is of great benefit to the whole community. By moving to cost-reflective tariffs, we will provide billions upon billions of dollars that Western Australians would previously not have had. If we had gone down the 10 per cent increases path of the previous government, by 2020 we would be \$8 billion in debt.

HON LYNN MacLAREN (South Metropolitan) [10.56 am]: I rise to agree to the motion; I think it is a very sensible motion. I will make six points in relation to it so that other members have an opportunity to make their comments. The Greens (WA) believe it is fair and reasonable to increase pay for the lowest paid workers, and government health workers are unfortunately amongst those lowest paid workers. I thank very much the Leader of the House, who has outlined the government wages policy. It helps us to understand why the government is struggling to pay these workers more. However, he has also noted that it is possible for them to receive an increase of 12.25 per cent, and we think that that is fair. The government should find a way to make that happen.

The government policy, of course, is that wage increases are somehow linked to consumer price index growth. It is ironic that this week the Salaries and Allowances Tribunal announced that it would increase our own wages. It was notable that parliamentarians' wages were not so tightly connected to the CPI. One way that we could improve this in the long term would be if we were to link our own wages to CPI growth. However, it was still worthwhile to understand the government's viewpoint on its wages policy.

The point is, however, that a lot of the lowest paid workers in the state—the workers that the government will rely upon to deliver government services—are non-government workers. They come from the community services organisations, through which this government wants to deliver more services, but they will not be

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protected by that wages policy. If the government is looking at trying to improve the wages of people who are delivering the essential services that the government should be providing, it should look at increasing the wages that are provided to community service workers in non-government organisations.

I note that Hon Sue Ellery mentioned \$41 000 as an average wage in the government health industry. Today I did a little research before I spoke to this motion and found out that the average weekly earnings in Western Australia for men—as we all know, it will be a little higher than for women—is \$1 346. If we take into account wages for both men and women, the amount is \$1 053. The \$41 000 that government health workers are getting is far below these average weekly earnings. In fact, I quickly calculated that it would be \$788 per week, which is dramatically below the average wage. We obviously know that what is making the average wage climb is the incredibly high-paid workers in our two-speed economy. The mining industry is booming and paying people well, and the rest of us are struggling to keep up. That is why cost pressures are going up. The way to address this is to look not just at wages and how much people earn, but also at costs and how much people have to pay for essential services. The Western Australian Council of Social Service's most recent cost-of-living report looked at the average costs of households. They went up \$105 a week, or 17.7 per cent, in the period 2007 to 2009. During the same period, the income levels for minimum wage earners went up \$41 a week—that is only 1.15 per cent. More costs need to be met by smaller wages.

I will now very briefly look at the graphs that are put out by the economic people who measure what is happening in the financial markets. We are trying to deal with an incredible crisis on a global scale. All the graphs have squiggly lines; they go up and then they slip down. When the first shock of this global crisis hit us all in 2008, official interest rates were very high. They came down at the beginning of 2009 and then they stayed flat. We have seen them start to climb again. Official interest rates have climbed in a step-by-step process. In April 2009 they were at three per cent, and this year they are sitting at five per cent. That is the money that is tightening in the market. The unemployment rate is gradually going up. Unemployment has increased; in fact, in Western Australia it is 4.9 per cent. The rate that is most concerning for us is the consumer price index, which was 1.3 per cent. After a peak of five per cent in September 2008, it dropped to 1.3 per cent in September 2009. There has since been a sharp escalation from 1.3 per cent to 2.9 per cent. Those are the costs that are influenced by government policy, and government policy could be better to keep these costs down.

The two ways that the Greens (WA) have put forward to keep our prices down are changes in energy policy and in transport policy. The Minister for Energy spoke today about the reason that costs have increased, but he did not address the way to bring them down—by using more renewable energy that is available for free. We need to make an investment in that industry so that users do not have to pay the costs of coal generation. The incredible cost of producing electricity in this state could be dramatically reduced by the use of renewables, which are abundant in this state. It is high time that this government invested wisely in that industry to bring down household costs. Secondly, on our transport policy, the government is failing to address the need for low-carbon options for transport. We know that systems that can be powered by renewable energy, such as light-rail systems, will help to meet our transport needs, so that the people who need to get to jobs in our sprawling city can reduce their transport costs by using a public transport alternative. Those are the points that I wanted to make on this motion. I strongly support the motion and I thank the member for moving it.

HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary) [11.03 am]: The Nationals will not support this motion. I was quite pleased to hear Hon Sue Ellery mention the Kentucky Fried Chicken worker in Karratha —

Hon Sue Ellery: Chicken Treat. I do not think there is KFC, but there is Chicken Treat.

Hon WENDY DUNCAN: — who earns more than government workers in Karratha. I assure members that when the Nationals were out and about in the regions before the last election, it was in Karratha where we heard about a teacher who had decided to leave her place of employ and drive a forklift for Toll Holdings Ltd because the remuneration was higher. It was in Karratha that the Nationals met with the Community and Public Sector Union. The union put to us a well-reasoned and well-researched case for an increase in the district allowance for government workers in regional Western Australia. The district allowance is paid to public sector workers who work outside the metropolitan area and who have a locality allowance arrangement with different rates and locations. This allowance had not been reviewed since 1968. The CPSU had been endeavouring to negotiate with the previous Labor government for a more realistic recognition of the cost of living in regional areas to address the issue of attracting and retaining valuable and highly skilled government workers in regional Western Australia.

I am very pleased to acknowledge Hon Helen Bullock, who asked us to look into our hearts and to care for our government workers. I assure her that the Nationals have looked into their hearts. One of the announcements

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made during the break this year was the increase in district allowances for government workers in regional Western Australia. A fair proportion of the increase in district allowances that has been awarded has come from the royalties for regions fund. In fact, \$110.8 million has been allocated from 2010 to 2013–14. This money will be spent on boosting district allowances for police, teachers and nurses from 1 July. Royalties for regions will also provide a lump sum back payment to July 2008 for the royalties for regions component of that rise. I will give members some examples of the rises that government workers in regional Western Australia will quite justly be awarded. In Kununurra, the current district allowance is \$4 671. That has now gone up to \$9 543. The royalties for regions component of that is \$3 712. In the Pilbara, workers living in Karratha or Dampier used to get a measly \$3 953 as the district allowance. That has now gone up to \$9 839. Royalties for regions is putting in \$4 439.

Hon Ken Travers: What about patient-care assistants? What will they get in the way of a district allowance?

Hon WENDY DUNCAN: The district allowance is available to public sector employees as each of the awards is negotiated. Obviously, this award covers teachers, nurses, police and other government workers. Other workers may not be covered and their case should be brought to us for consideration.

The interesting aspect about the district allowance is that more than half the workers eligible for the district allowance increase will be able to claim double the amount because they support a spouse in the regions. Royalties for regions is also committed to ensuring that the increase in the district allowance will be locked into the system. Every two years the regional price index will be reviewed. Royalties for regions will pay for the review of the regional price index so that the wages of government workers in the regions will be adjusted every two years. They will not have to go cap in hand to the government or wait 40 years for the allowance to be properly adjusted to take into account the cost of living and working in regional Western Australia.

Not only have we made these improvements to the salaries of government workers in regional Western Australia, but also the royalties for regions fund has committed \$200 million to boost the Government Regional Officers' Housing program, which is available to public sector employees, such as teachers, health workers and police, in the regions. This program will provide 400 new houses in regional Western Australia for government officers.

Hon Ljiljanna Ravlich: What about their free accommodation?

Hon WENDY DUNCAN: Many government officers are already entitled to free accommodation. An award of free accommodation to government officers would in many ways be inequitable because some get it and some do not.

Hon Ljiljanna Ravlich: So you're not going to honour that policy. Is that what you're saying?

Hon WENDY DUNCAN: The equitable way to do that, which is why this regional allowance policy was implemented, is —

Hon Kate Doust: You must look forward to having a National Party member in the seat of O'Connor.

Hon WENDY DUNCAN: Thanks to the Labor Party and the fact it has decided to preference the Liberal Party, which is most unusual, and shows how desperate it can be —

Several members interjected.

Hon WENDY DUNCAN: There will be 40 Government Regional Officers' Housing houses in Albany, 40 in Bunbury, 81 in the Wheatbelt, 40 in the Mid West Gascoyne, 134 in the Pilbara and 84 in the Kimberley.

Several members interjected.

The DEPUTY PRESIDENT (Hon Max Trenorden): Members! I thought a little bit of interjection was useful, but that time has passed.

Hon WENDY DUNCAN: Thank you, Mr Deputy President. I must say that I had the pleasure of looking at some of these new GROH houses. I was out at Warakurna not long ago where I saw beautiful, four bedroom, two bathroom brand new houses for police. I was in Derby, also during the break, where 13 new GROH houses are being built for government workers. Quite frankly, I would prefer a new house to a rent subsidy for some of the very substandard houses that are out there. What we are dealing with is the highest priority, what will make the most difference and what will be the most equitable across the board for government workers.

I would like to conclude with some comments about electricity tariffs. I find it quite interesting that the Greens in particular are railing against rises in electricity prices. I acknowledge that such rises are very hard to cope with for many sections of the community and that we need to be very mindful of that. But if we are to reduce our greenhouse gases and to reduce our consumption of electricity, we cannot just have swish advertising campaigns

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that say “Beat the Peak” and have little graphs in newspapers. Those sorts of things are all well and good for those who read newspapers and take note of advertising, but sooner or later, if we are going to reduce electricity consumption and if we are going to reduce greenhouse gases, we have to send a price signal. The government has put in place programs to assist those who cannot cope with electricity price increases. I think we have all been living in the luxury of cheap electricity prices for too long. There are certainly those who have difficulty paying the increased prices, particularly in regional areas where prices are very high. That is why we have increased the district allowance for regional workers. The Nationals do not support this motion.

HON ED DERMER (North Metropolitan) [11.12 am]: I appreciate the opportunity to contribute to the debate on this motion. I certainly support the motion, and I would like to congratulate Hon Helen Bullock on taking the initiative to raise such an important matter in the Legislative Council. We are talking about lower paid workers in our hospital system. Anyone who has had the misfortune to be required to visit hospital would appreciate firsthand just what an essential role these workers provide in our society. They are often the people in a hospital who have regular contact with patients when assisting other care providers to look after patients. It is very important that we acknowledge and remember just how important that work is. I am very pleased that Hon Helen Bullock has taken the initiative to draw their circumstances to our attention today.

I often contemplate just how fortunate I am to have been born in Western Australia and how we are so blessed with our mineral resources and the attendant high income that our state receives. I am particularly fortunate to be on the salary that I am on as a member of Parliament, and that good fortune obviously extends to my children because they are my dependants. However, over the past two years, until recently, the Salary and Allowances Tribunal made the appropriate decision not to increase our salary. I felt it. It sounds quite remarkable when I am earning well in excess of \$100 000 a year, but the pressure of costs as a father of dependent children means that I felt it. When I heard the Leader of the Opposition today talk to us about the wages of the people who are the subject of this motion, who provide such essential care in hospitals, Hon Sue Ellery talked about a range of wages extending from \$38 000 to \$51 000. Was my understanding correct?

Hon Sue Ellery: The bulk of them are around \$41 000.

Hon ED DERMER: So the bulk of them will be earning probably less than one third of what I am earning. I felt the pressure, so I cannot begin to imagine what it must be like for someone in those circumstances with children to care for and provide for as well as themselves, and with the most severe price increases in utilities such as water and electricity. It is difficult to imagine a service that we depend on more for life than water. Obviously, living through the twentieth and twenty-first centuries, our dependence on electricity is fundamental.

Hon Matt Benson-Lidholm: The pay rise for them has been unsustainable.

Hon ED DERMER: It has. I think it is so important. If we are, in good conscience, to enjoy the benefits of living in such a wealthy, well-provided-for state, it is very important that we remember our fellow Western Australians who are on a lesser income and the ever-increasing stresses for those people, and to take what ever action we can to alleviate that stress. I was interested to listen to the Leader of the House’s comments. If I understand correctly, he was explaining the policy of the most recent nine per cent offer over three years, which would be locked in.

Hon Norman Moore: There is a current offer of nine per cent, but it could be increased to 12 per cent if there are some trade-offs.

Hon ED DERMER: The trade-offs relate to removing conditions such as the no-contracting-out clause that currently exists and removing the limitation on casual and temporary contracts. Is that correct? Are those the types of trade-offs that he is talking about?

Hon Norman Moore: That is what the Leader of the Opposition is talking about.

Hon ED DERMER: The Leader of the House speaks of some trade-offs, and I am interested to find out what trade-offs he is talking about.

Hon Norman Moore: I do not have a list of what they are. I am saying that they are available as part of the negotiations. The negotiations have not even finished. This debate is a little bit premature. It has been done for your preselection and for the federal election. I see your delegates have all gone!

Hon ED DERMER: Mr Deputy President, I seek your guidance. I usually enjoy interjections, but I have got limited time.

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The DEPUTY PRESIDENT (Hon Max Trenorden): I am conscious that at least one other member wants to speak on this debate. If we hear other members in silence, we might get another speaker in before the time lapses.

Hon ED DERMER: This is a very serious matter, but I cannot help but be entertained by the Leader of the House's comment that I am worried about my preselection.

Hon Norman Moore: Perhaps you are not. I withdraw that.

Hon ED DERMER: I have been fortunate enough to enjoy the confidence of the Australian Labor Party since I was first elected to this house in 1996. I know that it is only yesterday in comparison with the longevity of the Leader of the House. The last thing I would be distracted by at the moment would be preselection, I can assure the Leader of the House, although I appreciate his concern.

Hon Norman Moore: I am concerned about it. I will vote for you, if it is any help.

Hon ED DERMER: Now I am starting to become concerned!

Hon Norman Moore: I have just ruined his political life!

Hon ED DERMER: I smile towards the honourable Leader of the House. I am sure that his concern for his preselection is probably similar to my concern for mine.

I do not want to be distracted, because I have important matters to raise with the house and to bring to its attention. I was hoping that the Leader of the House would give me some input about what trade-offs his government is asking for in exchange for an increase beyond the locked-in nine per cent over three years. The only firm indication about trade-offs that I have heard is from the Leader of the Opposition, who I think has provided a lot more detail by doing her job in an excellent way, and it would be good if other members of Parliament who refer to matters were able to provide such detail.

My understanding from what the Leader of the Opposition has said is that the trade-off for removing the no-contracting-out clause and removing the limitation on casual and temporary contracts applies in order to achieve the basic offer of what was originally eight point something per cent and is now nine per cent. I ask the Leader of the Opposition whether that is correct. Do they have to give up those clauses to get even the basic offer, let alone the greater offer that the Leader of the House referred to?

What I am hearing from the people who provide this excellent work to the service of Western Australians is that they are coming under stress from multiple causes. The utility prices have increased, their rates have increased and the general cost of living is increasing much faster than what is provided for in the offer being put forward. Even to get that basic offer, they would have to accept a loss of conditions, as explained by the Leader of the Opposition, which would add to further stress. The same economic prosperity that we enjoy I would like to enjoy in better conscience knowing that others are also sharing it and are not under the stress that is attached to the likely commodity price-driven increase in economic activity in Western Australia. When this occurred last time it had a number of serious consequences for people. It increased their general costs, not the least of which was the cost of housing, whether somebody was endeavouring to buy a house or rent. Last time there was a resource-based boom in our economy, the price of housing went up. Most commentators are anticipating a similar resource price-led boom in the years immediately before us so people will be facing more increases. They are being offered very little by the government. The government is asking for them to lose their conditions; for example, to lose the predictability of their rostering. When they are trying to plan activities around the needs of their families, they will not have the predictability of their roster to enable them to do that. They are looking at increased utility prices, about which we heard various excuses from a minister responsible today. They are looking at a general economic boom that they are unlikely to share the benefit of because the miserly wage they are being offered by the government is to be locked in for the next three years. I am envisaging mounting pressure on someone whose annual income is in the order of \$41 000 for the work that they are doing. This is not fair. This requires urgent attention. This requires the government to share a greater proportion of this state's wealth with these people who do such important work.

I regret that I am running out of time. I would like someone across the way to explain to me whether the midyear review wage price index that the Leader of the House referred to includes utility costs.

HON HELEN MORTON (East Metropolitan — Parliamentary Secretary) [11.23 am]: I would like to acknowledge the great work of the government health workers. I have worked with them in the health system for years. They do a fantastic job. I do not think this motion does a true justice to the work that they do. It has just been used for political purposes. Hon Helen Bullock misleadingly suggested that there has been a 40.35 per cent

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increase in water rates. I would like to talk about that a little if I get enough time. I would also like to make an overall statement that the economic regulators' view that water needs to be priced appropriately to encourage people, including government health workers, to use it efficiently is agreed to by the government. I agree with Hon Wendy Duncan. I do not understand how the Greens (WA) cannot agree with the notion that we have to price water properly if we want people to take more responsibility for the way they use it. Setting a price that sends the right signals to consumers of water is exactly what that is all about.

I turn to the issue relating to the 40 per cent increase or whatever it was in water rates. In 2010–11 the total impact of water charges will be around 11.8 per cent. That covers a number of different areas. The main area is the increase in usage. It also incorporates a decrease in the fixed rate for services. I think people need to understand that much greater control will be put into the hands of the users to determine whether they want to bring the cost of household water down. Their fixed rate will be decreased. The actual usage only makes up about one-third of their bill on average. One-third of their bill relates to water usage, which is what has increased. The cost of the services that make up the rest of the bill, not all of it but certainly the charges around the service area, has decreased.

I think the 40 per cent increase that Hon Helen Bullock referred to is something to do with the out years over the next three years. The government, the minister and the Premier have all been saying that those figures were the assumptions of the economic regulators, not the government's figures. The government has not yet made a determination as to what the figures will be in the out years. It has said that the increase will be only very marginal. Why are we going down this track? The answer to that question is very easy. The volumetric change has to be increased progressively to send the right signals. The annual service charge has decreased. People can take greater control over how much water they use and make a positive effect on their water costs. Is it necessary? Yes, of course it is. In the first two months of winter this year, the start of the three-month water ban, more than 3 250 warnings were issued to scheme water users and approximately 1 000 warnings were issued to bore users. The scheme water users who received warnings lived in Stirling, Dianella, Canning Vale, Dalyellup, Ellenbrook, Australind, Leeming, Innaloo, Como and Willetton. People are still not getting the message, even with the increases, that they are wasting water and they will pay for it if they continue to use it in that manner.

It is not as if these utilities are not doing a great job. When the cost of providing and servicing water to individuals was looked at across Australia, the utilities in Western Australia came up as the most efficient in the nation. We need to be absolutely clear that this is about people taking more control about how much water they will use and how much they will pay for it if they continue to waste it the way they are. I believe that the Barnett government has taken a responsible attitude to water charges.

Motion lapsed, pursuant to temporary orders.