

**PUBLIC SECTOR — WAGES**

*Statement by Minister for Industrial Relations*

**MR W.J. JOHNSTON (Cannington — Minister for Industrial Relations)** [1.54 pm]: I wish to inform the house of a significant development in public sector wage negotiations. The McGowan government has outlined its updated wages offer, which will result in Western Australia's lowest-paid workers receiving the biggest benefits to assist with cost-of-living pressures. We acknowledge the contribution of the 150 000 public sector workers and their unions in helping the government manage budget repair through the \$1 000 wages policy and other workforce measures.

In June 2022, WA's AAA credit rating was reinstated for the first time in nine years. Since late 2021, there has been an unpredictable and significant shift in prevailing economic conditions and inflationary pressures Australia-wide. We have responded, and will continue to do so, with several measures that support the broader Western Australian community. Over this time, we have also adjusted the public sector wages policy from \$1 000 to three per cent per annum. The government acknowledges that the challenging economic conditions remain, as reflected by our public sector workforce and their unions at the bargaining table.

In response, this government will provide enhanced wage offers to its public sector workers. The offer will increase the wages of full-time workers by \$60 a week for those earning up to \$104 000 per annum. This will be prorated for part-time and casual workers. Workers earning above \$104 000 will still be eligible for three per cent per annum wage increases. We are also increasing the one-off cost-of-living payment to \$3 000, which will provide immediate assistance to workers when negotiations are settled.

All other wages policy parameters remain unchanged. This includes the capacity to negotiate conditions that support the government's workforce priorities, which include employment security, fairness and equity. These conditions will be funded from approved employer salary expense limits. These changes will take effect immediately and apply to settled negotiations; for example, those of teachers and transit officers. Employees who have already received their cost-of-living payment and remain eligible will receive an additional one-off \$500 payment. This will be prorated for part-time and casual employees. The improved offer is affordable and only possible because of the McGowan government's responsible and strong financial management. It comes as the state anticipates a stronger than expected net operating surplus.

This revision to the wages policy is part of a broader and ongoing commitment to workforce reforms that include direct and permanent employment, confirmation of union rights and workplace safety and health. It is my hope that unions will support this change and present government wage offers to their membership in a positive light.