

**STANDING COMMITTEE ON LEGISLATION**

**WORKFORCE REFORM BILL 2013**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
THURSDAY, 6 FEBRUARY 2014**

**SESSION TWO**

**Members**

**Hon Robyn McSweeney (Chair)  
Hon Sally Talbot (Deputy Chair)  
Hon Donna Faragher  
Hon Dave Grills  
Hon Amber-Jade Sanderson**

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**Hearing commenced at 10.56 am****Ms MEREDITH HAMMAT****Secretary, UnionsWA, sworn and examined:****Dr TIM DYMOND****Organising and Strategic Research Officer, UnionsWA, sworn and examined:**

**The CHAIR:** On behalf of the committee, I welcome you to the meeting. Before we begin I must ask you to take either the oath or the affirmation.

[Witnesses took the oath or affirmation.]

**The CHAIR:** You will have signed a document entitled “Information for Witnesses”. Have you read and understood that document?

**The Witnesses:** Yes.

**The CHAIR:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing. For the record, please be aware of the microphones and try to talk into them; ensure that you do not cover them with papers or make noise near them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that publication or disclosure of the uncorrected transcript of evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. Bearing in mind that the committee has already received and read your written submission, would you like to make an opening statement?

**Ms Hammat:** Thank you. Yes, we will make an opening statement, and thanks to the committee for the opportunity to appear before you today and to outline our concerns regarding the proposed Workforce Reform Bill. I wanted to make a short statement that outlines, I suppose, the objections of UnionsWA to the Workforce Reform Bill. I did not want to simply repeat what we have already put by way of a written submission but I did want to expand upon it and obviously answer any questions that the committee has.

UnionsWA is the peak union body of the trade union movement in Western Australia. A number of our affiliates will be appearing before you today, but we represent the width and the breadth of the trade union movement in WA and some 130 000-odd workers in this state. We are advocating that the committee rejects the bill in its entirety, and we do that for two principal reasons, not simply because of its impact on public sector workers, which we say are bad enough, but we also wanted to talk today, I suppose, to the impact that we see that this bill will have on undermining the rights of workers generally in our community and also into the private sector.

To talk first of all about the impact on public sector workers, undermining job security of public sector workers, we think, endangers the sector’s ability to attract and retain the sort of quality and experienced staff that the public sector needs to serve the needs of the public of Western Australia. We are concerned that it is part of not just dealing with a small number of redeployees, but this is part of a broader agenda on the public sector, which would lead to more widescale privatisation, to

further cutbacks in services and underfunding that would threaten public hospitals, schools and other essential services. We also think that this bill in its current form shrinks the workplace rights of public sector workers, meaning that they will have fewer job security and collective bargaining rights than the private sector workforce might have, and that this in turn will add pressure to other employers that would erode the job security of all Western Australians.

We understand that the position of the government has been to argue that this is really a bill which is about dealing with redeployment and redundancy as a last resort. But, frankly, we would say that if that is the purpose of this bill, it is really bringing a sledgehammer to crack a walnut in that it really oversteps the mark in terms of dealing with what is, we understand, a fairly small number of people. There will be a number of public sector unions that appear before you, and I think you will hear from them, and you have possibly already heard, that there is no fundamental crisis around the number of employees in the public sector who are refusing redeployment.

[11.00 am]

We think that the government should have an alternative approach, which would be to maturely address the issues that WA faces by engaging with the public sector workforce, by consulting with them, be negotiating with them through their unions, by reaching agreement about some genuine measures that would improve the productivity of quality services; and if indeed there is a problem with a small number of redeployees, to also effectively address that. But instead this government sought to rewrite the legislation to undermine the independence of the Western Australian Industrial Relations Commission. It wants to give itself great powers of regulations in the area of redundancy, which means that much of what public sector workers might experience is at this stage unclear. It wants to avoid good-faith bargaining by giving itself a privileged position by legislating that its wages policy be taken into account in any arbitration, which is not something that is open to either unions or to other employers to do, and it is in effect legislating to force a real wages cut on the many low-paid workers who work in the public sector.

We are also concerned about the broader impacts of this bill. Particularly I wanted to just make reference to some of our obligations to International Labour Organization conventions, because we think this bill in its current form really undermines the spirit of a couple of the ILO conventions to which Australia is a signatory, in particular article 8 of the ILO's convention 158, which deals with termination of employment. It states —

... a worker who considers that his employment has been unjustifiably terminated shall be entitled to appeal against that termination to an impartial body, such as a court, labour tribunal, arbitration committee or arbitrator.

So, we are concerned greatly that the bill's provisions, in that it allows the government of the day to make regulations about redeployment, retraining and redundancy, run against the spirit of that. In fact it already states, I believe, in section 95(6) that the Industrial Commission does not have jurisdiction in respect of a section 94 decision if the employment of the employee concerned is terminated. So, it expressly removes that right to review the decision.

We also think it undermines the ILO's conventions in respect of convention 87, which is freedom of association and protection of the right to collectively organise; and convention 98, which is the right to organise and collectively bargain. We say this because the Workplace Reform Bill attempts to privilege the state government's wages policy in legislation by limiting wage increases; then insisting that the Industrial Commission take account of that policy effectively seeks to undermine the independence of the commission; and in its current form the wages policy effectively requires that public sector workers take a pay cut in real terms, certainly for low-paid workers, given the very high cost of living in Western Australia and the fact that the essential costs of accommodation, transport, utilities and food are all rising at a rate far in excess of CPI. We are also concerned about the provisions that mean it would be able to override any industrial instrument and effectively undermine collective agreements that the government has already entered into. For those reasons we

are concerned that this bill undermines those provisions around collective bargaining and seeks to interfere with free entry into agreements.

We are also concerned about the impact of this bill on the gender pay gap in Western Australia and the broader impact that that has in the community. Members of the committee are hopefully already well aware that WA has the largest gender pay gap of any Australian state. In May of last year, in WA the size of the gap was 26.6 per cent—men’s earnings relative to women’s earnings—compared to 17.5 per cent nationally. We know that the gap in WA is not just the biggest of any state, but it has also been growing in more recent years. We say that this is not just because of the mining industry, although it is tempting for people to argue that it is. Many people in Western Australia—in fact, more people are employed in healthcare industries, in social assistance and other industries like that. There are also a significant number of women employed in the public sector. According to the latest state-of-the-sector report in 2013, the proportion of women in the state public sector over the last 10 years has grown, increasing from 63.8 per cent to 71.7 per cent. Clearly, they comprise a much greater proportion of the public sector workforce than the workforce at large, where it is only 43 per cent. The committee will probably not be surprised to learn that overwhelmingly women in the public sector work at the lowest salary levels. For example, 95.8 per cent of education aides are women compared with the classification of engineering managers where it is 97.3 per cent male. Our concern is that this bill will allow the government’s wages policy, which only allows for a CPI-type increase, to exacerbate the pay gap in Western Australia. With large numbers of women in the public sector concentrated in the lower levels, it will effectively legislate to ensure that the wages policy is privileged and it is likely to make to make the gender pay gap in Western Australia much worse than it currently is and not better. Arguably, that is contrary to the objectives of the Industrial Relations Act, which seeks to promote equal remuneration for men and women.

We are concerned as well that this bill is not fundamentally about delivering a better operating public sector. We are concerned that it is in fact a way of providing a facilitative mechanism that would see more large-scale redundancies, and we are concerned that this bill has a further impact on the wider community and wider workforce in Western Australia. When we look at the state of the sector report for 2013 again, which surveys agencies, those managers were asked what they thought would be fundamental risks for them in managing the public sector. Interestingly, none of them identified retrenching and redeploying surplus employees as one of the fundamental risks that they face in their agency. They did identify addressing capability gaps due to a change in operating environment—51 per cent of them. Forty-five per cent of them identified a loss of corporate knowledge or talent due to retirement, and 41 per cent of respondents identified recruiting and retaining appropriately skilled staff as one of their fundamental risks for the future. We say this bill does nothing to address any of those risks, and we think there is in fact a potential for it to make them much worse. It will undermine the ability of the public sector to attract skilled staff; it will undermine the public service as a fair and secure place to work; it will not address any of the capability gaps; and it will certainly do nothing to attract and retain the skilled staff that the public sector needs.

In closing, I would say that we are concerned about this bill and we ask that the committee reject the bill in its entirety, not just because of its impact on public sector workers, which we say is severe, but also because of its corrosive effect in the community at large and because of the fact that it will allow for there to be further damage and erosion to the public sector and of the public services available to the people of Western Australia at large.

**The CHAIR:** Question 2: On the screen you will see a copy of recommendation 39 of the 2009 Economic Audit Committee’s final report, “Putting the Public First”. That inquiry began in 2008 and called for submissions on its terms of reference. According to the final report, your organisation made no submissions to that committee’s inquiry. Is that correct; and, if yes, why not?

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**Ms Hammat:** I cannot say definitively whether that is correct. I will take your word for it; it is not something that I am able to comment on. In terms of the reasons why not, it is difficult for me to answer that question definitively because it certainly was not something that I was directly involved in at the time. I would perhaps say this: I am aware that UnionsWA was concerned about the economic audit report. We took steps around that time to commission some independent research from some academics to look at the broader questions. I understand that that research was overall quite critical of the general direction of the economic audit report. I am happy to make some of that available to the committee if it assists. I cannot answer definitively at this stage as to why we did not, if we did not, put in a submission.

**Hon AMBER-JADE SANDERSON:** Could we have a copy of that research?

**Ms Hammat:** Yes; we will find it for you and forward it on.

**The CHAIR:** Will that be a private or public document?

**Ms Hammat:** I believe it is a public document; there would be no reason to keep it private.

**The CHAIR:** Following on from question 2, in 2011 there was an update tabled by the Treasurer. Did your organisation ask the Public Sector Commission to accept a late submission about the 2009 Economic Audit Committee final report at that time or later; and, if yes, can we have a copy of that submission?

**Ms Hammat:** I can only say that I do not know that we did. I will check, and if we have made one, I am happy to make it available to the committee.

**The CHAIR:** Question 4: Was your organisation consulted by either government or the Public Sector Commission at the drafting stage of the bill; and, if yes, did you make any submission?

**Ms Hammat:** No, we were not consulted at the drafting stage.

**The CHAIR:** Question 5: One of the things that your submission did not address was whether or not the current policy relating to redundancy, redeployment and termination is working. The audit committee final report made certain comments about the current policy, which are up on screen now. Clearly, the EAC report suggested that the existing policy of permanency for public servants was deficient. Do you have any views about permanency in public service employment as a policy choice; and does your organisation have any specific response to the views expressed in that Economic Audit Committee final report?

**Ms Hammat:** I suppose in terms of that current policy and perhaps the statement there that the committee's consultations had revealed support for the concept of it, I would question whether that consultation included the employees and the unions who were affected by that policy. Obviously, unions and the members they represent are major stakeholders in terms of whether that is a policy that would be supported and endorsed. I am not sure that that consultation happened, so in terms of the committee's consultations, I am perhaps suggesting it might have been deficient in that it did not sufficiently engage with the people who are most directly affected by the concept of involuntary redundancy. In terms of the first part of your question, which I understood to be about whether the current arrangements for redeployment are working—is that what you asked?

**The CHAIR:** Yes; do you have any concerns or views about permanency in public service employment as a policy choice?

[11.15 am]

**Ms Hammat:** It is often the case that people working in the public sector are paid relatively less than what they may be able to get by way of wages if they are in the private sector. The many people who have skilled qualifications make a choice about working in the public sector because it provides them with job security, which is something they see as incredibly valuable for a whole range of reasons. I think there is a historical recognition that the public sector provides for job

security as a form of attracting and retaining skilled staff. We would be deeply concerned about a public sector that implements the two things that this bill foreshadows. One is to reduce the job security of public sector workers, and thereby diminish the public sector as an employer, but equally, cap the wages at a level where they are not able to attract and retain good employees. It makes one wonder what competitive advantage in our labour market the public sector might offer people if they look to remove job security in particular, but also undermine the ability to pay reasonable wages.

**Hon SALLY TALBOT:** Can I ask you to perhaps expand on the first part of the chair's question specifically, which is about the current processes that are in place for redeployment, redundancy and termination? Is it your view that those arrangements are working? I guess the obvious subtext of the question is: do we need a bill like the one we are considering today?

**Ms Hammat:** We question the need for these kinds of provisions; the rhetoric simply does not seem to match reality. There does not seem to be a fundamental problem in the way the current provisions are working. I understand there are very small numbers of people who are redeployees. Other unions might speak to it specifically when they give evidence about how it affects their areas, but it simply seems to be the case that there would be an ability to manage what are fairly small numbers of employees within the current provisions if that is genuinely what government and agencies are seeking to do. Our concern is that they are in fact trying to create a provision that will allow them to do much more than that, and that is simply using what we understand to be a number around 70 or 80 people as an excuse to implement far more wide-ranging provisions. As I said in my opening submission, we would characterise it as taking a sledge hammer to crack a walnut.

**Hon DONNA FARAGHER:** In the evidence provided to us yesterday, the Public Sector Commissioner referred to, as you say, the small number of employees that have been mentioned. I think when the question was asked about moving to different departments and the like it was, effectively, a square peg through a round hole and that it would not effectively address the situation and that they have indicated that this provides a tool for managing a situation despite the best efforts in terms of retraining and the like. You mention in your opening statement that you believe that you could address the situation with that small number of employees. How do you believe that could be addressed perhaps in terms of the current framework or what might not be being done now that could be?

**Ms Hammat:** I simply make the point that if we are talking 70 or 80 employees out of a workforce, which I understand to be about 140 000 people, we are talking about a tiny proportion. It seems to defy belief that it is not possible to have mechanisms whereby the government can consult with unions, negotiate with unions, reach agreements through collective bargaining processes that we have in place and are well used in the public sector to deal with this issue if it is indeed of such a great magnitude that it has to be addressed. Unions enter into collective negotiations all the time. We have heard evidence from United Voice in terms of reaching understandings about how they believe their workforces would be treated in respect of those agreements. If this is such a serious and pressing issue that the government simply must address it, there are opportunities to do that, I think, that the government simply has not explored at all.

**The CHAIR:** Question 6: has your organisation identified any technical drafting errors in the bill; for example, are all the section references correct as far as you know?

**Ms Hammat:** I think we would say that our submissions are that the bill should be rejected in its entirety. We did not particularly turn our minds to that question, nor did we identify anything.

**The CHAIR:** Would you like to make any comments about the proposal to put the government public sector wages policy into the Industrial Relations Act?

**Ms Hammat:** I think I kind of addressed this in my opening submissions but I think it is worth reiterating. No other employer has the capacity to privilege their position in negotiations by

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influencing the legislation under which the Industrial Relations Commission operates. It is extraordinary for the government to seek to do that and give itself an additional bite of the cherry, if you like, in negotiations. Having said that, we also reflect that currently the Industrial Relations Commission operates under an act that does require that they take account of some of the economic circumstances of the state. Where the government appears to give evidence as an employer, I believe it consistently argues the relevance of the wages policy. There is the opportunity for the government to make those submissions in the ordinary course of hearings. The commission will listen to that and take account of it. We think it is to overstep the mark to then try to modify the act so that the government has a more privileged position than any worker, any union or, indeed, any other employer in the state could have.

**The CHAIR:** You have probably answered 8 but I will ask you to comment. Would you like to make any comments on the proposal for the WAIRC to have to consider the financial position and fiscal strategy of the state?

**Ms Hammat:** Yes; I think it goes to my earlier comments. I think there are provisions in the act already that mean that that is what the Industrial Relations Commission takes account of. It does that as a matter of course. The government can make those submissions whether it is there as an employer, if that is what it wishes to do.

**The CHAIR:** Would you like to make any comments about the proposal to require the WAIRC to consider the financial position of the public sector entity?

**Ms Hammat:** I think it reflects my earlier comments. It is giving a privileged position to the government to do that. I endorse the comments I have made previously. I think it is overstepping the mark and unnecessary.

**The CHAIR:** Would you like to make any additional comments about the proposal to limit the WAIRC jurisdiction over involuntary separations to looking at whether the regulations and commissioner's instructions were fairly applied and whether the appropriate termination benefits have been paid?

**Dr Dymond:** I guess I will just make the point that when you put the word "forced" or "involuntary" in front of "redundancy" and make these sorts of decisions, you are entering into areas that are dealt with and overlap laws and issues around dismissals. Recognised within the WA state system laws around dismissal, similarly in the national system, are questions about harsh, oppressive or unfair manners in which you might be dismissed. The core to establishing whether that took place comes to the point about whether the decision is reviewable. Given that the intention of the bill appears to be—once again, we have not seen the regulations, so I do not know exactly what will happen—to remove the commission from considering those sorts of matters, we would regard the bill as effectively diminishing the working rights of the WA public sector workers.

**The CHAIR:** Question 11: the proposed involuntary separation under the bill can be used only after the existing redundancy and redeployment procedures have been followed. Given that those existing procedures are subject to appeal by the WAIRC, do you think that we really need a right of appeal for involuntary separations; and, if so, why?

**Ms Hammat:** We would say yes. The loss of one's livelihood is fundamental and has a great impact on individuals. Whilst an individual might want to question the process, they also might want to question the substantive decision, so it is a question of providing people with fairness to have those decisions properly reviewed. These are not decisions that are inconsequential to people's lives. They can have a massive impact. We see that it is absolutely necessary that people be able to have those decisions properly reviewed and if that is not the case, we think it is a breach of fundamental rights that people should enjoy.

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**The CHAIR:** Question 12: do you have any comments about the regulation-making powers relating to involuntary separations being sub-delegated to the Public Sector Commission in the form of commissioner's instructions?

**Ms Hammat:** We echo the earlier comments in our written submissions and opening statements that we are greatly concerned that the detail of this legislation is simply referred off to be dealt with by way of regulations. At the time that we talk about how those involuntary separations might happen, there is very scant detail in terms of how that might happen and what it might look like for people. We are concerned about the regulation-making powers. They seem to be extensive in these cases rather than simply committing to the detail in the form of legislation. One of the concerns that affiliates have is that, in effect, the Parliament is being asked to legislate on something that is fairly much an unknown quantity and we think that is of concern.

**Hon SALLY TALBOT:** You told us that you had not been consulted about the drafting of the bill. Have you had any approaches from the government or from departments about being involved in the drafting of the regulations?

**Ms Hammat:** The only contact we have had in respect of this matter was that I received a phone call on the morning that the government announced that it was going to legislate for forced redundancies. I believe that was some time around June last year. It contacted me to say there would be an announcement. It said it wanted to consult and I have heard nothing further since that time in respect of the legislation nor in respect of the regulations.

**Hon SALLY TALBOT:** Was that contact from the Public Sector Commission?

**Ms Hammat:** That was from the Public Sector Commission. That was it.

**The CHAIR:** Question 13: do you have any concerns or comments about whether the regulation-making powers and Public Sector Commissioner's instructions extend to perhaps override legislation, industrial instruments or contracts?

**Ms Hammat:** Well, again, we make the point that no other employer would be able to enter into a collective agreement to give commitments through that agreement to the workforce and then legislate in a way that allows those commitments to be overridden. Clearly, that would be something that would be of concern to unions who are sitting down and doing those negotiations. Also it would be equally of concern to those employees who enter into agreements in good faith and then find that, in fact, the employer is able to use other mechanisms that no other employer would have to undermine that agreement.

**The CHAIR:** Question 14: do you have any further comments about proposals to put the government public sector wages policy into the Salaries and Allowances Tribunal Act?

**Ms Hammat:** I do not think we have any particular submission.

**Dr Dymond:** Our objections would be basically similar to the proposals to incorporate them into the other bills really—similar sorts of problems.

**The CHAIR:** Do you have any further comments about the proposal to require the SAT to consider the financial position and fiscal strategy of the state?

**Dr Dymond:** Once again, similar sorts of issues that we have already outlined.

**The CHAIR:** Thank you. The committee may have some questions to ask you.

**Hon SALLY TALBOT:** I think you are aware of the evidence given in public hearings yesterday. You heard the Public Sector Commissioner, in particular, talk about the fact that this was really minimal change; that all this is a bit of an overreaction because all the government is actually doing is formalising some of the processes. Do you agree?

[11.30 am]

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**Ms Hammat:** Clearly, we do not agree with that. I think I have covered the main themes in respect of that. We would say that this bill provides the scope for the government to go much further than what is described. There is nothing from what we see in this bill that gives us comfort or reassurance that, in fact, it is to deal with the small number of people on the redeployee list. We see it at face value and see that this is indeed a tool that could be used for much more large-scale redundancy programs in the public sector. We are concerned that that could easily be tied to a government agenda in which the government is clearly looking at privatisation as a way of managing its fiscal problems and that this would open the door to what could be quite large scale programs of having people exit the public sector. I would also perhaps reiterate my earlier comments. I understand the public sector workforce to be about 140 000 people. We are talking about a tiny proportion, if there are 70 people on a redeployee list who are unable to be accommodated. I am not certain that the government has truly exhausted all its options in relation to those people. The number is almost so small you could get them in one room and find out exactly what the issues are. I think it really highlights the ludicrous nature of having such a wide-ranging bill that would have far-reaching consequences to deal with what is a very small number of people. In the absence of a process in which seemingly unions have not been negotiated with and there has not been any attempt to reach agreement through the collective bargaining process around these things—there has not even been the most basic level of consultation with us as the peak body—it really begs the question whether that is the true purpose of the bill. That is part of our concerns with it.

**Hon SALLY TALBOT:** There is a second line of commentary that has been aired—not just in here but public commentary—that this is, in fact, a piece of legislation that brings Western Australia into line with other states. Have you had an opportunity to look at other jurisdictions and do you have a view about whether the Western Australian legislation is roughly consistent with other states or whether it goes further than that?

**Ms Hammat:** We have not particularly compared it with those other states. My colleague might want to make some comments in respect of that, but I would raise the fundamental question about whether we would want to replicate those states in any event. There have been massive numbers of redundancies out of the public sector in both Queensland and New South Wales.

**Hon SALLY TALBOT:** I guess the commonwealth is a particularly relevant jurisdiction for you, because you obviously have employees who are employed under both types of awards.

**Ms Hammat:** Yes, that is true. I have not done the comparison.

**Dr Dymond:** There has been a comparison done with Queensland and New South Wales—the two states that were mentioned quite a bit yesterday. In fact, the ACTU has done some work on examining the legislation that has been proposed and indeed passed in both of those states. Last year there was a federal parliamentary inquiry into reforms, or recent reforms I should say, in the state public sector. What the ACTU found and submitted to that inquiry essentially runs along the same lines as just outlined to you by Meredith, which is that there are serious concerns around ILO conventions about termination of employment, freedom of association and freedom to collectively bargain. Those concerns are very present, particularly in the Queensland legislation and certainly the New South Wales legislation as well. Questions have been raised by the union movement about whether legislation in those states is consistent with Australia's international obligations, and we have raised similar points here about whether this legislation also potentially runs contrary to those obligations. Is the legislation similar to other states? Yes. Is that a good thing? We would say no.

**The CHAIR:** I have one other question. With the redeployment list, yesterday we heard the various years that people have been on the redeployment list, and one was six and a half years. Surely, it is not fair to that person to get up and go to work every day knowing that they are on a redeployment list. I do not know what salary or whatever they have—that is irrelevant really; but it is not fair to keep them going to work for six and a half years. If you are saying that what you have now works,

why is that person still there after six and a half years? I am not being obtuse here; I really want to know. There is a process there, but clearly with this employee—I do not really need to know about the employee—there has been a problem there for six and a half years. Why has he or she not taken a package? What is the process now to get rid of that person? Is there no process to get rid of that person, if he or she has been there for six years?

**Ms Hammat:** I cannot comment on the person because I do not know the details. That is a question you might want to direct to some of our affiliates who have day-to-day experience in dealing with some of these provisions. I simply make the point, if that is the case, that in answering your question, you might want to explore what those government agencies have done to truly manage that process and that individual. As I said in earlier comments, there is a collective bargaining process that exists in the public sector and there is the opportunity to negotiate arrangements perhaps for that particular individual, that might lead to a successful exit from the organisation. To have an entire bill because we believe, allegedly, that one person has been on a redeployee list for six and a half years is overkill. There must be a way to manage those circumstances, particularly when we talk about such a tiny number of people overall. It simply defies belief that we can have legislation that is so far reaching in its consequences, and that we would do that because, allegedly, someone has been on a redeployee list for six and a half years. Surely it is possible to just sort out that one person's issues in a way —

**The CHAIR:** It is not one person.

**Hon DAVE GRILLS:** It is more than one. You said you could put them all in a room this size and you could sort it out there because there was that number of people.

**Hon SALLY TALBOT:** There is one for six and a half years and there were 30 for two years.

**Hon DAVE GRILLS:** That is the point.

**The CHAIR:** My question was because I want to know. It is not fair on those people. If you are saying that it works now, why are those people still in the public service? There must be a reason we cannot get rid of them.

**Ms Hammat:** I cannot answer that because I am not responsible for implementing those provisions. I am simply suggesting that in terms of getting the answer to that question, if you speak to our affiliates who deal with these provisions, they might have knowledge, in fact, of some of the individuals involved.

**The CHAIR:** It is not my area of expertise, so I am asking —

**Ms Hammat:** But I would also direct those questions to those agencies and to the government that has the redeployees. I would be looking to examine closely exactly what steps they have taken to manage the existing redeployee process to see that it has in fact been properly managed and implemented and that indeed they have exhausted all the options, because I think the feedback that we have is that perhaps that does not happen.

**Hon AMBER-JADE SANDERSON:** I probably should have asked this earlier when we were talking about the government wages policy. Part of this bill seeks to enshrine the wages policy in legislation, which at the moment is fixing wage increases to CPI. What is your view of using CPI as that benchmark, and are there any other indexes that in your view would be better suited?

**Ms Hammat:** CPI is extremely troubling as a benchmark for setting wages. It clearly does not take account of the fact that for the majority of workers who are on low or fairly modest wages, the majority of their pay will go to paying for essential costs of living. In Western Australia those costs have all increased by substantially more than CPI. In particular, we know with things like rents, the cumulative increases in just over a two-year period from June 2010 to June 2012 went up by 17 per cent, which is far greater than the CPI. We know that for things like utilities, over a two-year period they went up by 28.5 per cent, which again is far in excess of CPI. We know that for things like

medical expenses and hospital services, the costs have increased by about 20 per cent over that two-year period, which again is far in excess of CPI. So anyone in WA who is not in a position to be able to save the bulk of their salary and is actually using that salary to pay for day-to-day living expenses will find, in effect, that CPI means their standard of living is going backwards over time, because they simply will not be able to keep up with the higher increases in those essential costs of living. The other point we make about this particular measure of CPI is that it is based on the Treasury's estimates of that. As I understand it, the CPI figures are not publicly available; we do not necessarily know how that CPI figure is derived or what their basket of goods looks like. There are other unions, other affiliates, that will give evidence and speak to perhaps some of the frustrations that might give for them. But our fundamental concern is that it is not a true measure of what it costs to live in Western Australia and that anyone who is receiving wages, on the basis of increasing at the same rate of CPI, will in fact experience a decrease in their standard of living in this state.

**The CHAIR:** The committee would like to thank you for your time today.

**Hearing concluded at 11.41 am**