

WORKFORCE REFORM BILL 2013

Second Reading

Resumed from 23 October.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [12.29 pm]: I rise to set out the opposition's position on the Workforce Reform Bill 2013. I inform the house that the opposition will not vote in support of this legislation; we will vote against this legislation. We have had a good hard look at these laws and have done a fair amount of research, which I will go over in the course of this debate, as will some of my colleagues. The reasons we oppose this bill are threefold. First of all, these laws are unfair and discriminatory towards people who work in the public sector. Secondly, they are based on broken promises; these laws will directly overturn promises the government made prior to and after the state election. Thirdly, there is a range of inconsistencies between these laws and the public statements made by the government about the issues that these laws cover.

This is not a test of the opposition; this is a test of the government and what it said before the election, what it said after the election and what it is doing now. It is a test of the government because it is about the way it treats the largest workforce in Western Australia—that is, the state public sector. These laws show that the government is not treating the public sector in Western Australia, the people who work for the government, with any sense of fairness or decency. In fact, the government is treating the people who work for it in a less favourable way than those people who work in the private sector are treated. The government is treating people who work for the government as some sort of second-class citizens in comparison with people who work elsewhere. That is what these laws do; they imply that somehow if someone is a public sector worker, their rights and opportunities are less than those of people who work elsewhere in our community. To me that means we should not support these laws. That is what we are doing; we will not vote for these laws; we will vote against these laws. I might say this: the fact of the matter is that in my experience in this place in the last 17 years, including one term as a minister and one term as a parliamentary secretary, I have the utmost respect for people who work in the public sector. I do not adhere to the idea, which I think the Treasurer holds, that people who work in the government are somehow lazy, somehow do not perform their roles appropriately and are not as productive, competitive or engaged as people who work elsewhere. I do not adhere to that. I have the utmost respect for people who work in the public sector and I think they deserve the same rights as people who work elsewhere. They should not be discriminated against in the way that these laws propose. It should not have happened that people who work in the public sector voted in the election—significant numbers of them voted for the Liberal and National Parties—on the basis of a set of commitments that were made to them that are then broken nine months later. That should not happen to them, yet that is what is happening under these laws. They were made promises by the government that now, nine months after the election, are being broken. I do not endorse broken promises. We will not endorse broken promises by the government to people in the community.

I want to take members up-front through what was said in the lead-up to the state election. On 27 September 2012 in this place, I asked a question of the Premier. In *Hansard*, this is what the Premier said —

I make it very clear that there are no cuts, proposed or planned, for staffing within the public sector—none at all, and that was made very clear by the Treasurer —

...

... No-one is going to be losing their job, no-one is going to be laid off, but there will be flexibility in it because there will be some initiatives that will require that.

I repeat: this is what the Premier said a mere four or five months before the state election —

... No-one is going to be losing their job, no-one is going to be laid off ...

That is what the Premier said a few months before the state election when this issue was current. When the issue of whether there would be forced redundancies in the public sector was current, that is what the Premier said in this place. That was reported as the Premier's comments. Anyone who was out there before the state election heard from the Premier of the state that there would be no forced redundancies. That is what they heard, yet we find after the election that that position has changed. What did the Premier say after the election? In this place on 6 August 2013, he said —

Public servants are secure in their employment unless they put up their hand for a voluntary—I stress “voluntary”—redundancy. I compare that with the situation in the private sector. We have seen the mining industry come off a peak, and in the mining and mining services sector, several thousand jobs have gone. Industry is not in recession, but it has certainly contracted. We are seeing people in the private sector who have been told their pay is frozen or cut, and many, many people have been told they do not have a job. I say to the public servants and those in the gallery that you do have a job, and unless you choose voluntary redundancy, your employment and your wage level is protected.

On 6 August this year, that is what the Premier said to the 130 000 public servants around Western Australia. Last year he ruled it out and this year he ruled it out; it is in black and white, in the Parliament, in *Hansard*. What were we to think? I thought he was telling the truth.

Mr W.J. Johnston: That was a mistake.

Mr M. McGOWAN: I know! I constantly should not think that, but I did. I thought the Premier was telling the truth.

In relation to government wages policy, “The Liberals’ Public Sector Management Policy”, a policy document released by the Liberal Party in the lead-up to the state election, states —

The Liberals recognise the need for a strong and productive public sector ...

...

- Maintain a wages policy that provides public sector employees with fair and reasonable remuneration and benefits and safe working conditions

Further in this document, it states again —

If re-elected, the Liberals will:

- Maintain a wages policy that provides public sector employees with fair and reasonable remuneration and benefits and safe working conditions

It goes on to talk about fair and reasonable pay and the like and people in the public sector being treated with respect. That is what was said before the election; that is what people in the public sector would have read and that is what they heard the government say to them about their pay and conditions.

Exhibits 1, 2 and 3 are the Premier ruling out forced redundancies, and fair and reasonable pay and conditions if the government is re-elected. There was no mention of legislation that would change the basis of formulating the pay for people in the public sector to make it harsher and less fair than for people who work in the private sector. There is no mention of that whatsoever. Before the election, fair and reasonable pay and conditions were promised to people working in the public sector. What did we find after the election? All the government’s chickens came home to roost. The massive increase in state debt, despite record revenue, meant that suddenly Standard and Poor’s came out with the loss of the AAA credit rating on 18 September 2013. Despite record revenues, this state government lost the AAA credit rating, and while it was at it, it was criticised by Standard and Poor’s because its fiscal action plan essentially was not worth the paper it was written on. We saw the attack on the contracts that people had entered into for solar power systems for their homes. They were ripped up by the government. The government ripped up those contracts with householders. It was extraordinary. We saw the attack on 457 visa holders with children currently at school. They came into this country to work in industries that required people with their skills, and there was an attack on their children who were at school. There was then the backing away from that promise by the government. We then saw the solar power contracts being stuck back together. We saw the loss of the AAA credit rating, we saw the demise of the fiscal action plan, and over the course of this year we have seen the blowouts, in particular the Muja power station losses of \$330 million and growing, as I understand it. There were growing power station losses—\$1 billion in total across the energy sector. Debt was climbing by 700 per cent, and the Auditor General’s report indicated that there was \$3 billion in blowouts in government projects. We saw all that happen.

What did the government then do? It came out and said it would introduce these laws into Parliament to provide for a differential arrangement for public servants versus those people in the private sector. That is the way it would manage these issues. The Treasurer said that the government would be hard line on these issues. It would have policies that meant that public servants’ pay would be treated in a very different manner from what had occurred before. That is what the Treasurer said on budget day and back then.

These laws have now been introduced. They contain a new way for setting wages policy, which I will go over in a moment. They set out a new way for setting wages policy under the Industrial Relations Act. They set out a new way for setting salaries for people whose salaries are controlled by the Salaries and Allowances Tribunal, with three exceptions—members of Parliament, judges and local government CEOs. The new laws also set another way of getting rid of public servants; this is on top of, I might add, the ways of getting rid of public servants already contained in Richard Court’s laws in the Public Sector Management Act—the Liberal Party’s own laws. The government has come out with a new way on top of those laws.

The legislation does three things. There is a new wages policy for public servants, a new salaries policy for some people—some, not all—whose salaries are controlled by the Salaries and Allowances Tribunal, and a new redundancy arrangement on top of Richard Court’s redundancy arrangements passed in 1994. What did we then learn? The wages policy does not apply to some people. What did we see? We suddenly saw that this wages

policy that the Treasurer said would be applied, would be forceful and would be harsh was more equal for some than others—as George Orwell would have said. The front page of *The West Australian* of 26 October this year is headed “Doctors in Pay Deal: Government breaks wages policy to deliver above-odds rise”. It came out in *The West Australian*—I thought it was a quite amazing story—that despite all the tough talk about pay, doctors were getting an 11 to 12 per cent pay rise over three years. If the government’s policy had been applied to doctors, it would have meant a 7.7 per cent pay rise over three years. Before this legislation was even passed by Parliament, and consequent to the tough talk by the Treasurer and the government, we saw that for doctors the government was already breaking its policy. What was the excuse from the Treasurer? He said, “Oh, no; you’ve got to read the fine print.” The fine print in the policy was that it did not start until 1 November. Despite the fact that the budget was passed four or so months later than it ordinarily would have been, and despite the fact that the Treasurer said in his budget speech that the government would be tough on these wage negotiations, we found that, after five years in office and so forth, there was one policy for one group and another policy for everyone else. Why would ordinary public servants across the public sector have any faith in or believe anything the government says when it has one rule for some and another rule for others? Why should they be expected to accept one rule for one group—particularly, I expect, those who are lowly paid and do some of the dirtier jobs in government? We all know there are many people in that group. Why should they be expected to adhere to a harsh policy whilst the government picks winners? Doctors are the first lot. During the election campaign, we saw the 14 per cent pay rise deal negotiated by, as I understand it, Peter Conran with the nurses’ union outside the caretaker conventions. There is one rule in an election campaign, which is a 14 per cent rule; there is another rule for doctors, which is the October rule; and then there is the 1 November rule, which starts shortly.

Then we saw the other rule for the Premier’s office. I really do not want to go over it again, but I feel compelled to do so. It is the 52 per cent pay rise for the Premier’s own staff—overnight, a 52 per cent pay rise was awarded for members of the Premier’s own staff. His counterattack was, “Your chief of staff had a pay rise.” Yes, he did; it was four per cent. He had a four per cent pay rise, and the Premier’s staff had a 52 per cent pay rise. Talk about the spoils of office! We have all these different rules being set, depending on where people work, when it is negotiated, whether it is during an election campaign or whether people work in the Premier’s office.

Mr D.J. Kelly: If he likes you.

Mr M. McGOWAN: Yes, it applies if the Premier likes a person. I suspect I will not be getting much of a pay rise. I suspect the member for North West Central will not be getting much of a pay rise either in light of recent events. There are all sorts of different rules, depending upon what the government thinks at any point in time. There are different rules for different people. For doctors, there is a different rule; for negotiations during an election campaign, there is a different rule; and for people who work in the Premier’s office, there is a different rule. If I were an education assistant in a school, if I were a ranger in a harsh national park in the middle of the desert, if I were a planner in a government office making sure that houses are built and constructed, I would not understand why I would have a certain rule applied to me, but the government decides that other rules apply to other people. That is what I do not get. Why should those people, particularly those who do not earn a great deal of money—it must be borne in mind that some government employees are some of the lowest paid people in our community—have a harsh rule applied to them and others have a different rule applied to them? I do not understand that; and if I do not understand it—I have read the laws and the Premier’s second reading speech and looked at all the history of it—how are they going to understand it, and why should they understand it? Why should they understand that a different rule is applied to them from what is applied to everyone else? I look forward to the explanation.

What is the explanation? I will quote what the Premier said in his second reading speech on 23 October 2013, which was three days prior to the doctor pay deal details emerging. This is interesting, because what the Premier said is contrary to what the Treasurer said. There we have it again. Who is right? It is certainly contrary to what the police minister said yesterday, and I think that deserves some explanation. This is what the Premier said in his second reading speech on 23 October 2013 —

Western Australian public sector pay increases are set by negotiation, conciliation and possibly arbitration. Under the existing Industrial Relations Act, the Industrial Relations Commission is not specifically required to consider the government’s public sector wages policy. It is important to note, however, that the proposed changes will not bind the commission; rather, their purpose is to more clearly articulate the government’s policy position and to ensure that the commission gives due consideration to this.

That is what the Premier said in his second reading speech. What did the Treasurer say on 29 October 2013 when he was asked a question by the shadow Treasurer? The exchange was —

Mr B.S. Wyatt: Are you willing to consider increases above CPI with your new wages policy?

Mr T.R. BUSWELL: The answer to that question is no.

The Treasurer said in Parliament on 29 October 2013 that there would be no increases above the consumer price index, and the Premier says something contrary depending upon the circumstances. What is going on? What is the truth of the matter? Who knows? We then had the Minister for Police yesterday saying that these laws will not apply to police officers! That is stunning; absolutely stunning. I thought it was a fairly straightforward question: will the Workforce Reform Bill 2013 apply to police officers? She said, no, it will not. Now we know that these laws will apparently not apply to police officers; good for them! I am happy that police officers will be exempt. I will go back to them and tell them that the shadow Minister for Police got this concession from the Minister for Police, and we had a victory: police officers will not be covered by these laws. I look forward to that explanation being provided by the Premier in his reply to the second reading debate, because that did not appear in his second reading speech and when I read the legislation, I could not find it in there either. But the Minister for Police said it was so; the shadow Minister for Police forced it out of her, so I am happy to have had that victory. I look forward to having it confirmed that police officers' wage arrangements will not be covered by these laws, and we will go to the WA Police Union of Workers to tell them that we have secured that for them.

Mrs M.H. Roberts: I've already told them the minister's answer. They're very pleased.

Mr M. McGOWAN: That is excellent. I am pleased that we managed to secure that concession from the government, and I look forward to the Premier confirming that concession.

The Premier said one thing in his second reading speech; the Treasurer said that there would be no increases above CPI; and the Minister for Police said that police officers will not be covered by these arrangements; so, who was right here? We are assuming that the Minister for Police is right, but there is still a direct contradiction between the Premier and the Treasurer as to whether there will be pay rises above CPI.

The government circular "Public Sector Wages Policy Statement 2014", which apparently does not apply to the doctors' negotiations that are currently underway, states at paragraph 3 —

The Government of Western Australia requires that increases in wages and associated conditions for all industrial agreements be capped at the projected growth in the Perth Consumer Price Index, as published from time to time by the Department of Treasury.

I will reread the crucial word in that passage: "requires". The Premier says that the Industrial Relations Commission can take account of it, but this policy states that it is a required position that it must be the Perth consumer price index. The Treasurer says that nothing will be above CPI, and that is what the policy actually states: nothing above CPI.

That does not take account of future circumstances that might come about; there might be situations in which we have a dearth of people in this state to do certain jobs because they are being stolen by the private sector. I can well recall mines inspectors in the Department of Mines and Petroleum who, as soon as they were appointed, were poached with massively enhanced salaries by mining companies. At the height of the housing construction period in 2007–08, people with planning experience were being ripped out of the Western Australian public sector by housing companies and developers. The public sector has to be able to respond to such circumstances.

There is also the fact that a lot of people find it hard to survive in this state. Helping people on low incomes to survive, particularly those who do difficult, hard, arduous work, is one of the things that we should be about, and it is one of the things that got me into this place. However, the government's wages policy is about making sure that the people at the bottom are kept at the bottom. They are screwed down and they have no say; they do not get a fair deal. The government's policy says that it will not be able to respond to difficult circumstances, except that the government is picking winners in the case of people who enter into negotiations before 1 November 2013 because their agreements have expired.

The government is taking a completely morally bankrupt and impractical position. It will create industrial disruption through this legislation, because the people at the bottom of the salary scale are generally the most organised and motivated; they have to be. An extra dollar may not matter much to the pay packets of those in this chamber, but it means a huge amount to their pay packets. An extra \$20, \$50 or \$100 a week makes a huge difference to their livelihood. They will be organised, they will ask the questions and there will be industrial disruption as a result of the government saying that, no matter what the circumstances, the so-called independent umpire, the Industrial Relations Commission, will be required to implement this policy.

This policy is inherently unfair for the reason that it does not apply to private sector employees. Public sector wages policy does not apply to people negotiating their pay and conditions in the private sector in the same way as it does to people in the public sector. This policy will not apply to a cleaner in a private hospital, but it will apply to a cleaner in a public hospital. That is the inherent unfairness. This policy will apply to the wages and conditions of a teacher in a public school, but will not apply to a teacher in a private school. People in the private sector can go into the enterprise bargaining process and not be constrained by this policy, but people in the

public sector will be. The government is creating two rules in Western Australia: one for private sector employees, and one for public sector employees.

Then there is the third rule: whether or not one works in the Premier's office and whether one commenced EBA negotiations before 1 November. There is also a fourth rule for police officers, thanks to the concession we screwed out of the government yesterday. There are all sorts of unusual aspects to this policy. There are also the details of what the Industrial Relations Commission needs to take account of in setting a wages arrangement with a group of employees. One of them is the state of the finances of the agency for which the person works. In determining these matters the government can say that it will reduce an agency's appropriation. The Industrial Relations Commission will have to take account of that fact and, therefore, that agency will have a lower wage outcome than would an agency into which the government pours additional resources. How is that fair? I am a nurse in the Department of Health and health's budget is restrained. I am a nurse in the Department of Education and education's budget is not restrained. The Industrial Relations Commission is required to take account of that so nurses in education can end up with a better pay deal than do nurses in health. How is that fair? We have one public sector in Western Australia; we do not have a lot of little different ones around the place. It is not fair, and I expect that if I worked in one of these agencies, I would be unhappy with this arrangement because it will create an uneven playing field among people who work in different agencies. It will allow the government to artificially manipulate various agencies' budgets to affect wages outcomes.

As far as I am aware, this is the public sector wages policy statement that the IRC is required to take account of. It is not a disallowable instrument; it can be changed at the government's whim without Parliament having any say whatsoever. We want to see it spelt out in the law as much as possible. As we all know, regulations are subsidiary legislation; they do not have the same authority as legislation passed by this Parliament; they are subsidiary to it. As serving members of Parliament, we all know that regulations come and go every day while we know nothing about them. We know about the laws, the head acts, the bills that come through this Parliament. Regulations are a lesser order for us. I believe that setting up significant conditions in regulations for these matters is unacceptable. It is even trickier to set out the public sector wages policy in a Premier's circular that is not a disallowable instrument. We will not get any say. The 59 members of this house and 30 or so in the other house will have no say. The government can put in this circular whatever it likes. On my reading of this, potentially, the IRC could interpret this as something it is bound by. The independent umpire will be bound by something the government can put into a circular over which there is no possibility of any sort of oversight, apart from the Premier signing the document. That is what this is; it is the wages policy. It is unfair, uneven and confused. There seems to be a range of different arrangements in place for people. I will talk later about the departure of staff from the public sector.

I refer now to the Salaries and Allowances Tribunal. I think the Premier needs to explain. The Salaries and Allowances Tribunal sets the pay and conditions for a certain group of public sector employees, members of Parliament, ministers, parliamentary secretaries, judges, heads of government departments, local government chief executive officers and perhaps a few more. For a certain group of people whose salaries are controlled by the Salaries and Allowances Tribunal, these rules and the public sector wages policy will apply. Alternatively, the public sector wages statement will not apply to the Governor, a member of Parliament or a local government chief executive officer. The bill will create two categories. There is no doubt that some questions will be asked about this that the Premier needs to answer. Why are there two categories: one category for the public sector and another category covering one group of people controlled by the Salaries and Allowances Tribunal who are not covered by these rules. In his second reading speech, the Premier's states —

Finally, the bill also amends the Salaries and Allowances Act 1975 along similar lines to the Industrial Relations Act in that it requires the tribunal in its relevant determinations to formally take into consideration the government's public sector wages policy statement and the state's financial position and fiscal strategy. Having regard for the proper separation of powers, the tribunal will not be bound to apply this consideration with respect to determinations or recommendations covering officers and members of the Parliament, the Clerks of the Legislative Assembly and Legislative Council, the Governor or the judiciary. It also will not apply with respect to local government chief executive officers or councillors.

The Premier's reasoning in his second reading speech for having two categories is "having regard for the proper separation of powers". At the briefing I had with the public sector officers responsible for this legislation, they said the same—that it was about the separation of powers. I think it deserves a bit more explanation than that. I suspect that when people who work for the government more broadly understand that a certain set of rules applies to them and a certain set of rules applies to others, they will want to know why. All I am saying to the Premier is that he needs to explain exactly the reason for that distinction. A single line, "Having regard for the proper separation of powers"—nine words—is insufficient. If some ancient or overarching legal principle requires this, we need a full explanation. I think the people in the public sector would like that full explanation.

I come now to the redundancy provisions. I saw the Treasurer speaking on television—I have seen him on television a lot lately—when he said that the existing rules for redundancies are akin to those in North Korea. He said a number of times, “We have the North Korean system here in Western Australia.”

Mr P. Papalia interjected.

Mr M. McGOWAN: Yes. I looked at our present system. Do members know who put in place our existing system on redundancies?

Dr A.D. Buti: Who did?

Mr M. McGOWAN: Richard Court’s government, of which the current Premier was then Deputy Leader of the Liberal Party, put in place the existing laws. Our current “North Korean system” was a creation of Richard Court; the current Premier, the member for Cottesloe; Hendy Cowan; Graham Kierath; and other well-known North Korean comrades!

They put in place the existing rules for redundancies. I have a copy right here of the laws that were passed. I saw Richard Court last night and I should have raised this matter with him. He was wearing his red star on his cap! I should have said that I did not realise he was there with Philby, Burgess and Maclean back in 1994, a subversive secret agent of Pyongyang. I saw him last night and I should have said something about this. Obviously, he has moved on a long way. He is in the private sector these days, but perhaps he is a sleeper agent! I should have told him what Troy Buswell said about him. Perhaps he is right; perhaps Richard Court’s father was the same!

This is what Richard Court, the then member for Nedlands, the then Premier, had to say in the second reading speech of the Public Sector Management Bill on 30 September 1993 —

At the moment there are Government agencies which do not have disciplinary powers, other than the power of dismissal, or mechanisms available to them for dealing with staff who commit minor misdemeanours or whose work is substandard. This is unfair to employers and staff. The provisions which currently apply only to public servants will be capable of being extended in due course to other agencies to ensure consistency. Prior consultation will take place. This will achieve more equitable results for employers and staff.

Part 6 of the legislation provides a legislative base for redeployment and redundancy arrangements.

These are the North Korean laws we are talking about. The second reading speech continues —

Whereas the current industrial and administrative arrangements have generally been effective, this legislation will eliminate inconsistencies in their application. The legislation will enable regulations to be issued for redeployment, retraining, and redundancy for employees who are surplus and will specify which parts of the public sector must comply with those regulations.

The power is currently there in Richard Court’s and Mr Barnett’s laws. There are powers currently available. There is another second reading speech of the Public Sector Management Act, of 31 March 1994, which states —

The power to make regulations in clause 94 has been expanded to ensure that adequate specific powers are provided in the Bill to allow redeployment/redundancy arrangements to be set in place to meet the Government’s objectives where restructure of the public sector is necessary. This Government will deal with its employees in an equitable and fair manner in such circumstances.

Basically, a huge examination went on through the issues. The Public Sector Management Act, which currently governs these issues, was put in place by the Liberal–National government, and it deals with these issues. Section 94 of the act is comprehensive in the redeployment and redundancy of employees. It comprehensively covers the field for these issues. Section 94 makes up five pages of the legislation—five pages of the existing laws are concerned with this issue. What is the current position and why is this necessary? Why is the government saying that it needs to fix what is currently there? Let me explain how many people are currently leaving the public sector. The “State of the Sector 2012” report issued by Mal Wauchope, the Public Sector Commissioner, states —

In 2011/12, 26 928 permanent and fixed-term employees separated from their entities,

That is code for “they left their jobs” —

an increase of 27.6% on the previous year (21 098).

The report continues —

The separation rate for permanent and fixed-term employees has increased from 15.7% in 2008/09, 17.5% in 2009/10 and 14.4% in 2010/11 to 17.8% in 2011/12.

That is a massive number of people leaving their jobs, considering the public sector is made up of 130 000 people. There is no doubt that some people will be moving to other jobs in the public sector. Massive numbers of people are retiring, leaving and going to other areas of employment. There is already massive scope to deal with overstaffing, if that is the case, with the separation of these people. According to Mr Wauchope, in 2011–12 there was a 17.8 per cent separation of people from their jobs in the public sector. We only have to wait six years and we will not have one. If we want, we will not have a public sector at all in six or seven years. But there is the scope already, with the separations currently occurring.

What has also been put in place is a targeted employment separation offer—that is, the voluntary redundancy scheme. The Premier has said that about 1 000 people have applied for voluntary redundancy. The fact is that voluntary redundancy schemes are often a double-edged sword, because they get rid of three categories of people: the people we want to lose; the people we least want to lose; and the people we would have lost anyway—and they are being paid to go. I say this because some people who do not want to be in the public sector and who do not want to be in their job will take a voluntary redundancy and go off to do something else. They are probably the people we want, but I suspect they make up a small category of people.

Then we come to the people we least want to lose—people who see the opportunity, take the money and get another job where they may be paid more but who would not have gone but for the opportunity. Then there is the last category—the people we will lose anyway. The targeted employment separation offer of 2013 has the age distribution of the 1 111 people who have accepted voluntary redundancies as at 21 October 2013. It shows that 34 per cent of the people who have accepted the offers are between 51 and 60 years of age and 41 per cent are over 61 years of age. If the numbers of people who have accepted the voluntary redundancy offer are added together, 75 per cent are over 51 years of age. No doubt, a lot of them were going to leave anyway, yet they are getting a payment to leave. That is the way these things work; they always have. I am not saying that they are not worth doing; I am saying, though, that we have to be very careful about the way these things are applied. Some people may have been going to leave anyway.

My mother, a public school teacher for 43 years, retired at age 64 or 65. That is the natural order for many people. That is what has happened with the voluntary redundancy arrangements that the government has put in place. We already have Richard Court's laws, which provide a very comprehensive set of laws in relation to this; we have the voluntary redundancy scheme in which people are leaving. I sometimes wonder at the wisdom of the arrangements the government has put in place.

Mr F.M. Logan: Which was increased—the actual value was increased by the state government to 72 weeks in North Korea.

Mr M. McGOWAN: I doubt that North Korea has these arrangements in place.

Mr F.M. Logan: Do you think so?

Mr M. McGOWAN: I doubt it. I read recently—Richard Court will be interested in this—that Kim Jong-un had his girlfriend machine-gunned. They have different arrangements over there, and I find the arrangements they have disturbing.

We have a number of voluntary redundancies and then we have attrition numbers, which made up, as I said before, 17 per cent of the workforce separated from their jobs in the 2011–12 financial year. We already have massive attrition and redundancy across the public sector. What is the government doing? It is saying these arrangements are not good enough. The way things work is that Richard Court's laws allow for positions to be abolished and for people to be dismissed. They allow for positions to be outsourced and for people to be dismissed if they do not go to the new employer. That is what the existing laws allow. They were created by Richard Court and kept in place by Geoff Gallop and Alan Carpenter, and they have existed up until now. They allow for both of those things to happen. They also allow for people to be dismissed, under section 80 of the Public Sector Management Act, when someone engages in a breach of discipline; they disobey or disregard a lawful order; they contravene the act, a public sector standard or a code of ethics; they commit an act of misconduct; they are negligent or careless in the performance of their function; or they commit an act of victimisation. The laws allow for dismissal in those circumstances. We already have all of these categories by which people are being gotten rid of or let go or leaving of their own accord. We then have the categories under Richard Court's laws whereby, when a position is abolished, people can be let go or dismissed; when the position is outsourced, a person can be dismissed; or when someone breaches discipline, they can be dismissed. The government wants to create another category. It wants another line added to section 94 of the Public Sector Management Act. This is the rub; this is the additional line government wants to add. Clause 13(1)(1A)(c) of the Workforce Reform Bill states —

an employee in a category prescribed by the regulations.

The government wants to create another category outside all those categories created by Richard Court, and other categories. One, that is unnecessary because that dismissal can already be done on the grounds I outlined before; two, there are already massive separation rates from the public sector; and three, it is way too broad—who knows what the government will do. Under Richard Court's laws there are five pages of rules in legislation. If we give a regulation-making power to government, with no criteria whatsoever around it, who knows what the government will do. At one time the Premier had a close colleague in Graham Kierath. I saw how close they were when I was in my first term here. We may get another Graham Kierath in this place; in fact, I think the Treasurer exhibits some of Mr Kierath's ideas, without the humour. I think this category is way too broad. We did the research and looked at the current rules. We did not accept the government saying that the existing situation was North Korean. We looked at the existing situation and how people can be let go if they want to be let go; we looked at how many people are leaving of their own accord and we came to the conclusion that this legislation is unnecessary. What is more, in this government's hands it is a bit dangerous. Before the election, the state government promised people sitting in the gallery that they would not do this. Now the government is doing something it said it would not do. When government members appear on television talking about very strict criteria, we ask where strict criteria are. They are not there—it is one line in the legislation: "an employee in a category prescribed by the regulations". We all know about regulations—the government can bring in a truckload of them and we will never see them. In the hands of someone like the Treasurer or in the hands of a Graham Kierath, who once ran industrial relations in this state, who knows what government will do with this legislation? Who knows what sort of regulations it would bring in?

We do not trust the government. We do not trust what was said before the election, because the government broke its promises; and we do not trust its arguments on these matters because we have heard the government excuses. The North Korean argument frankly, whilst humorous, is pathetic because it does not ring true, and I think Richard Court would agree with me. They are our reasons for opposing the legislation. We have done some work on these issues and we will not vote for this legislation, no matter how much the Treasurer says this is a test for the opposition. We have 21 votes in this house and we will put our case forcefully. We do not think these laws are fair; we think they break a promise; and we think in many ways they are unnecessary and counterproductive. The government could have talked to the opposition. It could have talked to public servants across Western Australia. The government could have talked to people about what it was planning. The government could have been honest about what it had planned before the state election and then it might have had an argument for some of the things it might want to do. However, the government did not do any of those things. Therefore, we will not vote for this legislation and our view is that this is a test of the government. It is a test of the government's honesty and integrity; it has nothing to do with us. We will make our points and the government will get its legislation through, but we will make sure that every family and every person who works in the public sector knows exactly what the government plans for them, what it is doing to them and how this government's laws do not follow what the government said it would do in the lead-up to the state election.

MR F.M. LOGAN (Cockburn) [1.27 pm]: I too rise to oppose this Workforce Reform Bill 2013 and to support my colleague the member for Rockingham's statements. The member for Rockingham began his criticism of this unfair bill with the reminder to the house and the state government of broken promises. He quoted from *Hansard* the comments made by the Premier on 27 September 2012 when he made it very clear that there would be no cuts to jobs in the public sector—no jobs to be lost and no redundancies. That came not long before the March state election the following year. It was one of the last opportunities for the opposition to basically get on the record a statement on whether a future Liberal government, if elected on 9 March 2013, would take the axe to public sector employment in Western Australia. The Premier and the Liberal-National government made it absolutely clear that jobs would not be lost in the public sector in Western Australia in *Hansard* in this house. Yet, immediately after the election on 9 March 2013, the government broke that promise—broke that commitment. I remind the Premier yet again of the statement he made in this house on 14 September 2004 about the issue of misleading the general public and breaking promises. This is what the Premier said in his role as the member for Cottesloe on 14 September 2004 —

... if someone says something on behalf of a political party and then does the opposite in the most blatant and crass way, that is a political lie. That is my standard.

Those are the Premier's own words on 14 September 2004 about his standards, yet he immediately breaks his promises, creates a political lie and undermines his own standards as set by himself after the election of March 2013. He immediately does that. That behaviour of the Premier, which is continually criticised by opposition members in this house, deserves to be criticised and deserves to be exposed. It deserves to be exposed in the media and condemned because of the Premier's own words—because of his own words, not in front of a TV camera, not to his electors in the seat of Cottesloe, but to the entire community of Western Australia under oath in the house of the Legislative Assembly of Western Australia. That is why he should be condemned. The Premier is an absolute disgrace to the people of Western Australia because of the blatant way he breaks his

promises and the blatant way he manipulates Parliament to say one thing when he is in opposition and another thing completely when he is in government. This bill deserves to be condemned. The member for Rockingham has gone through comprehensively the reasons why this bill needs to be condemned.

[Quorum formed.]

Mr F.M. LOGAN: I thank the member for Mandurah for bringing to your attention the state of the house Madam Acting Speaker (Ms L.L. Baker).

As I was saying, the bill deserves to be condemned because of the nature of the clauses contained in it and the unfairness that it will create within the public sector. I will go through these issues. The first issue is about what the bill intends to do; that is, to introduce provisions that will put a freeze on employment levels. That freeze on employment levels will lead to an increase in workload for remaining staff and a diminution of services to the general public. The question then arises not only about why the public was not honestly told about future redundancies and future job cuts prior to the election this year, but also about why the public was not told that a freeze on employment levels and a wages cap would be put into place that would lead to a diminution of public services to the general community. Why were members of the general public not told that so that they could make up their mind about the way they would vote in the 9 March state election? Why could they not have been told that? Why could they not have been given the opportunity by the Liberal–National government to elect a political party, or political parties, to lead them that would ultimately create a diminution of public services to the general public and job losses in the public sector? Why were people not given that opportunity to make their decision based on what the government wanted to do? They were not given that opportunity because, although it may have been well and truly planned, it was never going to be enacted prior to the state election; it was always going to be an action put into place after the government gained power again—if it was able to gain power. That was a deceit on the people of Western Australia—not just broken promises—by this government.

The cap on general government budgets, which was also highlighted in the second reading speech to this bill, of course leads to cuts and is leading to cuts in services and efficiencies for departments and agencies. We are seeing the effects of those cuts already across the public sector. The wage constraints and limits put on the public sector, which were also mentioned in the second reading speech, are projected to be on the basis of the Perth consumer price index figures from this financial year and into the out years. As the member for Rockingham pointed out, and as we have seen in the first four years of the Liberal–National government from 2008 to 2013, those wage limits were broken over and over again. Wage limits were put in place during that period and they were broken.

Under the current budgetary arrangements, wage limits again have been put in place by the Treasurer and this Liberal–National government. The limits are projected CPI figures from this year on. Unless of course someone is a doctor, the wage limits will not be applied evenly across the board. The current September 2013 CPI figure—whether we look at the trimmed mean or all groups, seasonally adjusted figures—is 2.3 per cent. That figure spans September 2012 to September 2013. That is the CPI figure, 2.3 per cent, for Perth, Western Australia. One would assume therefore that that is the increase that the Treasurer wants to apply across the board. That is, of course, unless someone is a doctor; as I said and as pointed out by the member for Rockingham, they got an 11 to 12 per cent pay increase over three years. And that is, of course unless someone is a nurse; they have been able to achieve a 14.7 per cent increase over three years. And that is, of course, unless someone is a prison officer; they have just achieved an increase over three years. I ask the member for Jandakot what the prison officers' wages deal came out at; was it 13 per cent?

Mr J.M. Francis: It was 12.5 per cent.

Mr F.M. LOGAN: It was between 12 and 13 per cent over three years. And that is, of course, unless someone is a teacher. The Premier, in defending the cuts to the public sector, stands in this place on a regular basis and says, "We have the highest paid teachers in Australia."

Mr C.J. Barnett: We do.

Mr F.M. LOGAN: We now have the highest paid nurses in Australia.

Mr C.J. Barnett: Yes; proud of it.

Mr F.M. LOGAN: And we have just given an 11 to 12 per cent increase over three years to doctors. How does this policy apply? It is a Perth-based CPI wage increase. That is the policy as per the second reading speech and the announcement by the Treasurer in the budget this year. That is the wages policy for this government, except we have seen it broken over and over and over again. The reason given for the Workforce Reform Bill 2013, the 1 100 redundancies that have already taken place and the 200, and possibly more, involuntary redundancies we expect to see over the rest of the financial year, is the significant increase in costs—particularly wages costs—to the government of Western Australia. That was the reason given to the media by this government for the need to

make people redundant, in breach of what the Premier had promised, and the need to sack people involuntarily, which was another broken promise by the government, and that will be done by changing the law, which is the bill we are currently dealing with. That is why we are doing it. We are doing it because the government says wages have increased to the point of being unsustainable, and it has to terminate people. Who is being terminated—doctors, nurses, teachers, prison officers or police officers? They are not being terminated. The people who will be terminated will be the poor old public sector employees across a range of departments who have been busily doing their work and getting on with the running of government and the implementation of the decisions of government. They are going to cop it in the back of the neck because this government cannot control its own wages policy. It has a contradictory wages policy that applies a 2.3 per cent increase for the general level of employees across the public sector, particularly in administrative roles, and a completely different wages policy for prison officers, nurses, teachers and doctors. I do not resile from those prison officers getting that amount of money out of the member for Jandakot—good on them! Good on the WA Prison Officers' Union—excellent! They did not have to pull the job to do it, but I am sure they would have if the minister had not agreed.

Mr J.M. Francis: They did for 24 hours during the campaign.

Mr F.M. LOGAN: That is only a very short period of time; they did not really give the minister a good belting. There was a minor level of industrial dispute to get what they needed, and good on them! Good on the nurses for being able to get that increase! Good on the teachers for being the highest paid in Australia! Good on the doctors for being able to get that increase out of the government! But what about the rest of the public sector employees? What do they get out of this? They get the bullet. They get the redundancies. They get the involuntarily terminations. That is what they get. That is why this is an unfair bill that is based on a political lie. Let us look at the increases that the general employees of the public sector are expected to deal with—the 2.3 per cent, which is the current figure for Perth—that is made up of a whole series of different elements. Where are some of the biggest increases that contribute to the 2.3 per cent increase—some of those increases in the cost of living that public servants just cannot avoid? There was an increase in electricity charges of 4.4 per cent; property rates and charges of 7.9 per cent; and water and sewerage, 9.9 per cent over the last 12 months. These increases in people's bills—public sector employees' bills—cannot be avoided. Things like overseas holidays and accommodation and other factors can be avoided—people can make a choice to go or not to go—but things like electricity, water, sewerage and council rates cannot be avoided, and they have not increased by 2.3 per cent. They have increased by 9.9 per cent for water and sewerage, 7.9 per cent for rates and charges, and 4.4 per cent for electricity. That is how much public servants have to pay out of their own measly pay packets.

[Member's time extended.]

Mr F.M. LOGAN: Their measly pay packets will be increased by a measly 2.3 per cent because of the contradictory, illogical and irrational wages policy of this government.

Where does this all lead to for people who work in the public sector? The level of morale across the Western Australian public sector is at an all-time low, and it is not surprising. Even amongst the highest paid teachers in the whole of Australia, as the Premier likes to gloat, there are not too many out there happy with the Barnett government at the moment because they are facing cuts within their own workplaces as a result of budget measures handed down by Treasurer Buswell. They might be the highest paid teachers in Australia, but they are starting to work in poorer conditions, with fewer people supporting them in their workplace and with a greater workload. Look at the people at the coalface doing the ordinary administrative work that keeps the wheels of government turning; their morale is at an all-time low. They are losing their jobs, their departments' budgets are being cut and their wages are limited to 2.3 per cent, yet they look over at other people who work alongside them in the public sector who wear uniforms—like police officers, nurses, prison officers and doctors—and see them getting pay increases double what they are getting. It is not surprising that morale is at an all-time low. What happens with a workforce with unbelievably poor morale? We get poor productivity and poor performance and a lack of efficiency. That is what this government is creating within its own public sector that it relies upon to actually carry out and implement the decisions made in this house and by executive government. The government is asking those workers to do more with a constrained pay that does not reflect the increases in their own utilities made by the very same government they work for. They have been asked to do more in the workplace with, literally, less because of the departmental cuts.

I question why this happens. One of the things I have never been able to understand in Australia, particularly in Western Australia, is why the public sector is not valued. Why is a true value not placed on the work of public sector employees? Public sector employees in France and Japan are highly valued. To work in the public sector in France and Japan is a point of great status. People at the management levels of the public sector have to have a very high level of academic achievement and performance, and they are paid accordingly. Why does that not occur here in Western Australia? It used to occur in the United Kingdom but successive conservative governments over there took the axe to the public sector in the UK and not only chopped that once

internationally respected workforce to pieces, but also downgraded its status in the eyes of everybody in the UK. Nevertheless, it is still the case that working for the public sector is a sought after job in places such as France and Japan because of the status it brings, because of the rigour it brings, because of the training one gets within the public sector and because of the pay.

Why do we not look for the best people to work for the public sector? Why do we not attract the best and most effective people to work for the public sector and pay them accordingly? Why do we not have an institute of academia, specialising in public sector management and training as there is in places such as France? I am talking about an institute in which employees, regardless of their level in the public sector, could graduate with the right skills and capacity to be an effective worker within the realms of government and within the public sector. Why do we not have that? We do not even think about having that in Western Australia. We do not do those things because we do not value public servants appropriately. This bill is an absolute reflection of why we do not value them, and a reflection of all the things I have just talked about. It is the difference between France, Japan and Western Australia. We do not value our public sector workforce. I will give an example of how we do not value it.

Under the Gallop–Carpenter administration, I had the opportunity to be the Minister Assisting the Minister for Planning and Infrastructure, Hon Alannah MacTiernan. In that role, I was given responsibility to look after the Department of Transport’s vehicle registration offices. As the minister for that department, I went to various places around Western Australia where vehicle registration offices are located. In my discussions with front-line public sector workers who worked in the vehicle registration offices, I discovered that staff had been working in those very busy, very abusive front-line vehicle registration offices for 25 years and they were still on level 1 public sector wages. I could not believe my ears. These people, of all public servants, face harassment, abuse and criticism from members of the general public because they have not been served in time, they have failed their driving test or their registration papers were not correct. A whole series of issues are brought before these public servants in vehicle registration offices. They deal with them in a calm and respectful manner, always providing a respectful face of the government of Western Australia when dealing with customers. What do they get paid? They get paid as a level 1—less than \$36 000 a year. Some people had been there for nearly 25 years. Their workload was enormous. That is how public servants are not respected. They are not respected within the management of their own departments and they are not respected by the executive of the public sector of Western Australia. I do not believe they are even respected by the Public Sector Commissioner of Western Australia, who would not even know what was going on in places like vehicle registration offices, and they are not respected by the government—the employers. That is the reason we do not value public servants. It is a disgrace. No wonder people who work for the public service of Western Australia have a low level of morale.

I will now deal with the bill itself. The bill constrains the Industrial Relations Commission to consider the public sector wages policy, specifying that in the legislation. It is as though the Industrial Relations Commission does not take that into account in any wages case at the moment. The government is saying that the commission will take account of the state of the Western Australian government budgets and each departmental budget, as though it does not do it now. Of course it does it now. What is the point of putting this into —

Mr D.J. Kelly: More red tape.

Mr F.M. LOGAN: Yes, that is right—more red tape. This is Repeal Week, I believe. What are we doing? We are applying more red tape. That is exactly what this bill does. It binds the commissioner to look at the self-inflicted problems of the state government’s budget. It is binding the industrial relations commissioner to take into account the self-inflicted damage that the government has done to its own budget. That is what it is required to do. I hope that in the future an industrial relations commissioner makes some comment along those lines. Even though they are required to look at the budgetary circumstances of the government, I hope an industrial relations commissioner has the courage to say that the government brought on these budgetary problems itself by its own stupidity and incapacity, but I doubt they will say that.

The other issues I wish to go to relate to the involuntary redundancy provisions in sections 95 and 96 of the act and clause 15 of this bill. They confine the jurisdiction of the Industrial Relations Commission to review whether the employee has been allowed benefits and pay which they are entitled to under regulations. The commission will not have the jurisdiction to reinstate or otherwise compensate the employee. That is unique in Australia. One can get the bullet from the Western Australian public sector, but one cannot go to the commission and argue unfair dismissal. Apart from New South Wales and Queensland, where tourism ripped the public service to pieces, this is the only place in the economy where one cannot challenge one’s dismissal. We are introducing a confinement on the Industrial Relations Commission not to deal with unfair dismissals that have been created by this government. That is the reason this bill is a disgrace, that is the reason this bill is unfair and that is the reason the opposition will be opposing this bill.

MR D.J. KELLY (Bassendean) [1.58 pm]: In the few moments that I have left before question time, I would like to start my comments on the Workforce Reform Bill 2013. I would like to talk first about the involuntary severance provisions. The involuntary severance provisions in this bill are one of the principal reasons for it being brought into the house. In his second reading speech, the Premier said that, if not the sole purpose, that was one of the main purposes of the bill.

When I got involved in industrial relations, one of the first things I learnt is that when we do a deal, we stick to it. Industrial relations can get pretty rough at times and at times we settle on things we would not otherwise settle on. I say to the Premier that once we do a deal, we should stick with it. This bill introduces provisions that allow for involuntary severance and override industrial agreements that the Premier signed up to immediately prior to the election. I find that extraordinary. I do not have the time to go into the details of them now, but I will later. I will tell the Premier so that he can check them and maybe he can tell me otherwise if I have got it wrong. There is a provision in the agreement for education assistants in our schools, which the Premier, as a member of cabinet, signed off on, that states that no employee will be required to accept a redundancy. That to me reads that they will not be required to accept an involuntary severance, and that is what everybody else thought it read.

Debate interrupted, pursuant to standing orders.