

WAGES POLICY — INFLATION

218. Ms M.J. DAVIES to the Premier:

I refer to the \$1.2 billion provision in the 2021–22 *Government mid-year financial projections statement* for the Premier’s commitment for either a 2.5 per cent annual wage increase, with a \$1 000 sign-on bonus, or a 2.5 per cent annual increase, with a further 0.25 per cent per annum for reform measures to be negotiated. Given that this increase reflects an expected consumer price index rate of 2.5 per cent, will he guarantee to increase this policy to maintain real wages if inflation increases?

Mr M. McGOWAN replied:

I thank the Leader of the Opposition for the question. The opposition leader is correct. We announced a new wages policy at the end of last year, which was, I am advised, the most generous of all the state governments of Australia. It reflects our new and improved financial position as a result of the government getting the finances back under control over our time in office, the fact that we managed to keep the mining industry open and, therefore, continued to keep the revenues from it coming in over the COVID period, against the objection of many people in the east and locally, and the fact that we secured the new GST deal. The wages policy is as the Leader of the Opposition outlined it, which is a 2.5 per cent wage increase per annum and a \$1 000 sign-on bonus for two years or, alternatively, a 2.5 per cent wage increase per annum plus a 0.25 per cent per annum increase for negotiated workforce reform measures. That remains the government’s wages policy and, as I said, I am advised that it is the most generous in Australia.

What has occurred with the Russian invasion of Ukraine—as odd as it is to say that, that is what has occurred—has increased the cost of some products and some cost-of-living measures, which may well be, and hopefully are, very temporary. That remains the government’s wages policy, as we outlined before. As I said, I am advised that it is—it certainly was at the time we announced it—the most generous in Australia.