

IN THE FAIR WORK COMMISSION

PENALTY RATES

Matter No: AM2014/305

I, Lynne Margaret Pezzullo, of 1/9 Sydney Avenue, Barton in the Australian Capital Territory, Economist, affirm:

1. That the contents of this affidavit are true and correct.
2. I am the Lead Partner of Health Economics and Social Policy and a Director of Deloitte Access Economics Pty Ltd (**Deloitte**).
3. Deloitte was engaged by Meridian Lawyers on 20 August 2014 to conduct research and prepare the report entitled 'The Modern Face of Weekend Work' (the **Report**), on behalf of the following 'employer groups':
 - a. Australian Hotels Association
 - b. Pharmacy Guild of Australia
 - c. Australian Retailers Association
 - d. National Retail Association
 - e. Australian Chamber of Commerce and Industry
 - f. Queensland Tourism Industry Council
4. I directed and supervised the research that formed the basis of the Report. I reviewed, amended and finalised the contents of the Report. I also directed and supervised the preparation of the reply evidence dated 21 September 2015 (**Reply**). I confirm that the opinions expressed in the Report and in the Reply are my own opinions.
5. This affidavit is provided in addition to the curriculum vitae that I provided to the Fair Work Commission on 26 June 2015.
6. This affidavit describes my relevant skills, qualifications and experience which makes me qualified to form the opinions that I have expressed in the Report and in the Reply.
7. Annexed hereto and marked "LMP-1" are copies of the curriculum vitae of the Deloitte employees that were members of my team for preparation of the Report.
8. Annexed hereto and marked "LMP-2" are copies of the curriculum vitae of the Deloitte employees that were member of my team for the preparation of the Reply.

Retail & Hospitality Experience

9. I have extensive retail and hospitality experience as an employee and researcher.
10. On a quarterly basis Deloitte Access Economics prepares a subscription only publication called the 'Retail Forecasts'.



11. The Retail Forecasts report provides an analysis of current retail sales and consumer spending and the economic drivers which influence them. The Report includes ten year forecasts of retail sales by major category and of key economic drivers. The report is accompanied by a Detailed Consumer Spending report that provides ten year forecasts of detailed Household Final Consumption Expenditure categories and detailed retail sales categories.
12. I have been involved in the preparation of this report both as a director of Access Economics and a partner of Deloitte Access Economics.
13. From 2006 to 2011 I was a company director of Access Economics and was the chair its board. I had high level oversight of the preparation by the Macroeconomics team of the Retail Forecasts report.
14. At Deloitte, my involvement with the Retail Forecasts report continues. I am the managing partner of Deloitte Access Economics in Canberra and I am also a member of the Deloitte Financial Advisory Services national executive body. I continue to have an operational and governance responsibility in relation to the Retail Forecast publication.
15. Deloitte Access Economics publishes a series of quarterly publications that are relevant to the economics of the Australian retail sector including Business Outlook and Employment Forecasts.
16. I also provide high level oversight of the Deloitte Access Economics Business Outlook and Employment Forecast publications.
17. Business Outlook is a subscription publication that provides detailed analysis of more than 20 Australian industries. It provides financial information and forecasts on growth prospects, interest rates, wages, prices, exports and imports, jobs and unemployment, taxes and public sector spending. The information in the publication is highly relevant to the Australian retail sector.
18. Likewise, the Employment Forecasts report provides industry commentary on employment issues across various industries, including the retail sector.
19. I have many clients that I provide advice to in the retail and hospitality sectors. Annexed hereto and marked "LMP-3" is a confidential list of those clients.
20. In relation to the hospitality industry, I have completed many projects from 2008 to date for the Distilled Spirits Industry Council of Australia, the National Alcoholic Beverages Industry Council and the Brewers Association.
21. My expertise in both the health and retails sectors are not mutually exclusive. Much of the Australian health sector is retail in nature. For example, optometrists, health care providers, vitamin producers and complementary therapy producers have retail business models that support or compliment the professional health services that they provide.
22. Retail performance is fundamental to these clients' financial performance.



23. I regularly provide advice to these clients in relation to retail issues in addition to health services.

Professional and academic qualifications

24. I am an economist.
25. My undergraduate degree was a Bachelor of Economics (1st class honours) majoring in international economics and trade from Adelaide University.
26. For the first ten years of my professional life I worked in the Department of Foreign Affairs and Trade where I spent many years negotiating and advising on bilateral trade matters. I also worked for the Department of Treasury where I typically engaged with stakeholders from many industries and sectors.
27. My doctorate is at the Australian National University in health economics.
28. This qualification is supplementary, not replacing my qualifications as an economist.
29. In my current role at Deloitte, I lead the ACT economics practice for Deloitte Access Economics. The Health Economics and Social Policy team is only part of this practice.
30. As Managing Partner of Deloitte's ACT office I am also the financial and business manager of the ACT Deloitte office which includes Deloitte's ACT based financial advisory, consulting, risk, assurance and accounting practices. I have financial responsibility for the performance of the business.
31. In this role, I provide advice, service and support to most of the Canberra office's clients. Most of these clients are outside of the health sector and include the Hindmarsh Group, Canberra Airport Group and ACTEW AGL. Each of these clients and many others operate in the retail sector.
32. This is also true in relation to my role on Deloitte's Financial Advisory Services Executive and as advisor to the CEO of Deloitte Australia on Responsible Business. These roles are agnostic to my health industry expertise.
33. Furthermore, as part of my broader social policy work (in comparison to health work), I am engaged by and engage with multiple stakeholders in the housing, gambling, justice, disability and aged care sectors.

Survey Analysis Experience

34. I have extensive survey analysis experience.
35. A large part of the body of work I have accumulated since 2000 has used surveys as part of the primary data collection.
36. I estimate that I have developed or supervised the development of approximately 100 surveys across many different sectors.
37. One of the first large surveys I completed was in 2001. It had over 7000 respondents.



38. I have the statistical training for the development of surveys as a result of my undergraduate qualifications in economic statistics and econometrics.
39. I also have 15 years of experience in the field of surveys. This includes design of survey instruments, sampling techniques, channels (paper-based, online, CATI), data cleaning, data analysis, interpretation of results, and triangulation of results and reporting.
40. Recent examples of surveys that I have completed and analysed include for the Victorian Department of Health and Human Services, the Department of Social Services and KidsXpress.
41. For smaller online surveys I maintain a subscription to SurveyMonkey.
42. I also work frequently on larger surveys with outsourced survey providers such as i-Link, Galaxy, and The Social Research Centre in Melbourne.
43. My expertise and involvement in survey design and analysis of survey data was recently recognised by the Social Research Centre. I was appointed to their board of directors in August 2015.

Experience in demographics, including analysis of raw and existing data

44. I am very experienced in demographics.
45. The analysis of demographics and the analysis of raw and existing data is a large part of my professional work. I work with demographic data every week and it is fundamental to my practice as an economist.
46. Part of my role at Deloitte Access Economics requires me to oversee the AE-DEM model. This is Deloitte's demographic forecasting model which recently contributed to winning the Consensus Economics 2014 Forecast Accuracy Award.
47. In 2012 I developed the tool, HealthEdata. This tool brings together demographic and epidemiological data on a geospatial basis to provide an online tool for subscribers to access current and projected data of interest.
48. In 2010, I authored a report; 'Reality Check: Work Life Balance' while on the board of Women's Forum Australia. This report was based on analysis of data from a survey of over 900 Australians, as well as secondary datasets.
49. I am currently conducting a project with the Australian National University which looks at secondary data sets across health and social policy, nationally.
50. The datasets that I use most frequently (including confidentialised unit record files) include the ABS Australian Health Survey, the Survey of Disability Ageing and Carers, AIHW data, Medicare, Centrelink, HILDA, CRIS and IRIS (DHHS Victoria datasets), the ALSWH, the NHCDC, as well as LSAC, LSIC and LSAY.



51. My PhD thesis on best practice cost of illness methods also involves analysis of multiple datasets in order to bring together understanding of best practice across demographic, health, productivity and other fields in Australia and globally.

Experience in labour market economics, impact of awards, consumer and employee preferences

52. I have undertaken a number of research projects that relate to workforce and related issues faced by the retail sector. Examples include analysis of the optometry workforce for Specsavers and Luxottica, analysis of the dental workforce for the Australian Dental Association, analysis of the GP workforce for the Australian Medical Association ('AMA'), analysis of the physiotherapy workforce for the Australian Physiotherapists Association ('APA'), analysis of the accredited exercise physiologist workforce and analysis of the fitness industry and its workforce for Fitness Australia.
53. Two recent examples of the work that I have carried out on Awards includes: research for the Australian Nursing Federation (as it then was) in relation to the disparity of wages for nurses working in acute care and aged care in NSW and as the team leader, the Regulation Impact Statement for the Fair Work Act 2010 (Cth).
54. Two recent examples of studies I've led in relation to consumer and employee preferences include: Making Choices: Future dementia care: projections, problems and preferences for Alzheimers Australia, which utilised discrete choice modelling techniques to rank preferences; and a number of Regulation Impact Statements for SafeWork Australia in relation to workplace health and safety, including the RIS of the Harmonisation of WHS, which included substantial consultation with employees and their union representatives through mixed methods approaches to determine impacts of and views about proposed regulatory changes from the perspectives of industry, regulators and workers.

Experience in heading up teams

55. I have extensive experience in leading teams.
56. In 2008 I was awarded the Telstra Business Woman of the Year in the ACT in large part in recognition of my ability to lead and grow teams. As well as ensuring effective project management and high quality research.
57. As a senior partner at Deloitte, I am the lead or engagement partner on dozens of research projects each year. This role requires me to lead teams to deliver high quality outcomes on time and on budget.
58. I founded my health economics team in or about 2004. Under my leadership, the team is now one of Australia's largest health economics teams. Deloitte has embraced the practice and it is now being expanded globally such that I now work with up to 20 partner Deloitte firms around the world to grow their economic and social research teams.

59. In 2015 I won the Deloitte 2015 Office Managing Partner of the Year award, due to the outstanding success of the ACT practice in terms of growth, profitability and team culture under my leadership since 2011.
60. For each project, I am involved in the selection of team members working on the team. We meet on a regular basis to discuss project design, process and outcomes. The team members are chosen based on their expertise in particular fields, their seniority and experience and availability.
61. In preparing the Report and Reply, I was assisted by other Deloitte employees, namely, David Rumbens, Dr Kiu Tay-Teo, Dr Paul Barnsley, Bryce Stevens and Adam Elderfield. A short description of their experience and expertise is set out in the letter of engagement which is Annexure SW1 to the Affidavit of Sharlene Wellard sworn on 11 September 2015.
62. Ultimately, I am the leader of the team and take full responsibility for the contents of the Report and Reply. I confirm that the opinions expressed in the Report and Reply are mine.

AFFIRMED

At Canberra, ACT

On 21 September 2015

Signature of deponent

Name of witness

Address of witness

Capacity of witness


 David Willicam Howard
 13 Newman St Yarralumla, ACT 2600
~~[#Justice of the peace #Solicitor #Barrister #Commissioner for affidavits #Notary public]~~

And as a witness, I certify the following matters concerning the person who made this affidavit (the **deponent**):

- 1 ~~#I saw the face of the deponent. [OR, delete whichever option is inapplicable]~~
~~#I did not see the face of the deponent because the deponent was wearing a face covering, but I am satisfied that the deponent had a special justification for not removing the covering.¹~~
- 2 ~~#I have known the deponent for at least 12 months. [OR, delete whichever option is inapplicable]~~
~~#I have confirmed the deponent's identity using the following identification document:~~

Original current driver licence of deponent
 Identification document relied on (may be original or certified copy)²

Signature of witness



[¹ The only "special justification" for not removing a face covering is a legitimate medical reason.]

[² "Identification documents" include current driver licence, proof of age card, Medicare card, credit card, Centrelink pension card, Veterans Affairs entitlement card, student identity card, citizenship certificate, birth certificate, passport or see Oaths Regulation 2011 or refer to the guidelines in the NSW Department of Attorney General and Justice's "Justices of the Peace Handbook" section 2.3 "Witnessing an affidavit" at the following address: <http://www.jp.nsw.gov.au/Documents/jp%20handbook%202014.pdf>]