



TRANSCRIPT OF PROCEEDINGS

Fair Work Act 2009

1052910

TRANSCRIPT IN CONFIDENCE

**JUSTICE ROSS, PRESIDENT
VICE PRESIDENT CATANZARITI
DEPUTY PRESIDENT ASBURY
COMMISSIONER HAMPTON
COMMISSIONER LEE**

AM2014/305

s.156 - 4 yearly review of modern awards

**Four yearly review of modern awards
(AM2014/305)**

Melbourne

2.33 PM, MONDAY, 21 DECEMBER 2015

Continued from 16/12/2015

PN25809

JUSTICE ROSS: Mr Wheelahan?

PN25810

MR WHEELAHAN: Your Honour, I've had discussions with Mr Moore and we have come to a proposal which we think will mean that should be here for less than an hour. Ms Pezzullo will have evidence-in-chief and I will take her to the key global issues that are at difference between the two experts. Whilst doing so, Ms Serena Yu will remain in court and hear that evidence. Ms Yu will then be called if there is anything for her to be asked or put to her. Then the third phase is then whilst both experts are there, if the bench wants to ask either expert any questions.

PN25811

JUSTICE ROSS: All right.

PN25812

MR WHEELAHAN: If I can proceed on that basis.

PN25813

JUSTICE ROSS: Okay.

PN25814

MR WHEELAHAN: I would recall Ms Pezzullo. Ms Pezzullo, if you could move into the witness box, please. I want to deal with the topic of what has been called the structural break - - -

PN25815

JUSTICE ROSS: Does she need to be re-sworn?

PN25816

MR WHEELAHAN: She was already under oath, I think.

PN25817

JUSTICE ROSS: Was she released though on the last occasion?

PN25818

MR WHEELAHAN: I can't remember if she was, but out of caution if you want to - - -

PN25819

JUSTICE ROSS: Yes, I think it's probably - - -

PN25820

MS PEZZULLO: Affirmation. I was not released though. I'm happy to do it again though.

**<MARGARET LYNNE PEZZULLO, RECALLED AND
REAFFIRMED**

[2.34 PM]

FURTHER EXAMINATION-IN-CHIEF BY MR WHEELAHAN [2.35 AM]

PN25821

MR WHEELAHAN: Ms Yu, can you hear Ms Pezzullo and myself?

PN25822

MS YU: Yes, I can.

PN25823

MR WHEELAHAN: Ms Pezzullo, I want to deal with the issue of what is the topic of the structural break in 2009-2010. I put to Ms Yu in cross-examination that in February 2009 to May 2010 there was a downward trend in New South Wales for both total employed and total hours, and for reference that was at transcript PN22660. In Ms Yu's further report, which you have a copy of, at paragraph 13(a) - do you have that, Ms Pezzullo?---I'm just getting it now.

PN25824

Yes?---Yes.

PN25825

Ms Yu has further revised her statistical analysis of the data for the first year of 1 July 2010 and increased the reduction in total employment. You'll see there it's 7.7 per cent rather than 4.7. Aggregate hours are now 7.1 to 6.1. That commentary is then reflected - if I could draw your attention to table 2 in paragraph 14. You'll see the first year there, statistical record, consistent with that description?---Yes, I do.

PN25826

Ms Yu's evidence is that there has been no structural break in the data dealing with total hours worked and total persons employed in the period 2010 to 1 July 2014. Do you want to comment on that?---Yes. There is the issue of the hypothesis that's being tested and the hypothesis is that overall the effects of the changes in 2010 did not have an enduring impact in relation to employment in the retail sales sector in New South Wales. That's the hypothesis that has been tested. I guess there are two issues that I have with that. The first one is that it's unusual to have a test of an overall impact tested using five different variables. The second issue is that even if you were to - - -

PN25827

I'll just stop you on the first issue, please, Ms Pezzullo, just so we can go slowly. The testing of five variables, that's what is reflected - I'll just lead it - in table 2 at paragraph 14. Is that correct?---That's correct.

*** MARGARET LYNNE PEZZULLO

FXN MR WHEELAHAN

PN25828

So that's the testing of each year?---That's correct, as a result of the fact that the changes were implemented sequentially over those years, but indeed the announcement and the initial impacts and work that we have done in other contexts - for example, work for the regulation impact statement of the Fair Work Act showed that announcement effects and, you know, initial implementation when you know that something is going to continue to occur, that's the major

impact and, therefore, a better way of testing is to just do a single test which is looking at what happened before the changes were introduced and then looking at them afterwards. It also reduces the amount of potential statistical problems that can go wrong, which is the second problem in the difference approach that has been used.

PN25829

In your report, SDA15 of 2 December 2015 - - -?---Yes.

PN25830

13? Retail 13, sorry.

PN25831

JUSTICE ROSS: Retail 13, yes.

PN25832

MR WHEELAHAN: That's what you discuss or describe as having two parameters to do the test rather than taking the five years. Correct?---Yes. What you would typically do is look at the data series and test the whole data series to see what other tests, like the *Quandt-Andrews* test, say have occurred in that data series and where the breaks have been. So if you take that more standard approach, the Quandt-Andrews test shows that there are in fact in the New South Wales data two different breaks; one that occurs around sort of the very early 2008 period and the second one which occurs in 2010. The Victorian data has a break in 2003, so it would be better to control the Victorian data to remove that particular break and then it would be good to test what - or to try to understand better what the other two breaks in the New South Wales data are, but therein lies the second problem which is that in order to use the difference of difference, you really should have data series - - -

PN25833

We'll deal with that in a moment?---Okay.

PN25834

Can I just keep you on that point. In your report, Retail 13, of 2 December, at page 12 there is a figure there, figure 3.2. Do you have that in front of you?---Yes.

*** MARGARET LYNNE PEZZULLO

FXN MR WHEELAHAN

PN25835

Can you explain how that fits into what you've just said about there being a structural break perhaps in 2010 in the New South Wales - - -?---What it shows, if you map the empirical strategy that Ms Yu has used, you get this big fall-off in the first year, which you can see in that figure, then employment changes over the next few years, but it never fully recovers to the trend line that it had before that break occurred. So even using Ms Yu's data and approach, you still get a - and she has shown in her work that there is an overall negative impact in the first year and after that there aren't any other major definable changes if you're going to test it using five coefficients; but, nonetheless, overall using her model, you'd still have to come to the conclusion that at the end of the five-year period, employment

is lower than where it was or where it would have been had there not been that change in that first year.

PN25836

Figure 3.2, just for clarity, that's relating to New South Wales employment data only?---That's correct, yes.

PN25837

Finally, I just want to deal with the difference in difference approach. Ms Yu has undertaken that approach to test the hypotheses in her first report and I asked her, when I cross-examined her, at PN22634 - I put to her that it was critical to have an identical control group, to which she said that that was correct. What is your assessment of whether the control groups of New South Wales and Victoria were identical?---Well, they're not, as we've also shown in the reports - or my report of 2 December. I'm not sure of the numbering of that, but I'm sure you've all got it in front of you. It's the same one as the one that has figure 3.2. We have done some tests that look at those different trends before and after the shocks in both New South Wales and Victoria, and my findings are summarised in my paragraph 4.21 and in particular also in table 4.5, which is a summary of the hypothesis test results. Those show that there was a structural change in 2008 in New South Wales, but not in Victoria. There was a structural change in 2010 in New South Wales, but not in Victoria.

PN25838

Also the slope has changed, so that the model is suggesting that there are increases in retail sales that are translating into smaller increases in employment in New South Wales after the award. In other words, the slope of the line is changing as well as the intercept, so not only did employment fall once off, but after that there were also, you know, lower impacts on employment for changes in retail sales.

PN25839

The final points are also in sections (d) through (g), which are very critical. The first one was testing the intercepts and slopes; that they are both the same in New South Wales and Victoria. We had to reject that. In other words, they are not and therefore it's not appropriate to assume the same trends, which is critical for the difference of difference approach. Then also our slope of the coefficients, those particularly being the same in New South Wales and Victoria. That null hypothesis was rejected, as well, it being the same, so we concluded that they are different.

PN25840

Then in point (f), we tested that the slope coefficient pre-2008 was the same in New South Wales and Victoria. Again it was rejected at the 5 per cent level, so that reinforces the conclusion that it's not appropriate to conclude that the slope coefficients are parallel enough, which is the assumption in the Yu report.

*** MARGARET LYNNE PEZZULLO

FXN MR WHEELAHAN

PN25841

Finally, in paragraph 4.21, section (g), that the slope coefficient post-2010 is the same in New South Wales and Victoria. That test does not reject a null

hypothesis. In other words, what you're essentially concluding is that when you bring the awards into New South Wales as they were in Victoria prior, you actually change the behaviour in New South Wales so it's similar to what it is in Victoria. Therefore, again I guess all that evidence is quite strong in suggesting that first of all there is indeed a structural break.

PN25842

There's a change in 2010 as a result of the awards being introduced in New South Wales and one should not be using difference in difference approach in this particular instance because of the difference in trend. Thirdly, that, you know, even if you do all of that and use Ms Yu's final specification, she is still essentially showing that there has been a one-off significant reduction in employment which New South Wales never recovered from - the retail sales sector never recovered from.

PN25843

MR WHEELAHAN: That bring us back to paragraph 13(a), the statistical significance of the change in employment numbers in the first year.

PN25844

JUSTICE ROSS: I'm sorry, what is that paragraph number?

PN25845

MR WHEELAHAN: Paragraph 13(a). It hasn't been tendered yet. It's Ms Yu's further report.

PN25846

Thank you, Mr Pezzullo?---Thank you. Would you like me to leave the stand?

PN25847

No?---No.

CROSS-EXAMINATION BY MR MOORE

[2.47 PM]

PN25848

MR MOORE: Ms Pezzullo, do you have the witness statement of Ms Yu in front of you, dated 18 December 2015? Do you have that in front of you?---Yes. I can't find the date on it.

PN25849

The date appears on page 8, the last page?---Page 8?

PN25850

Yes?---Very good. Thank you.

PN25851

The witness statement of Serena Yu that you have in front of you, is that what is dated 18 December 2015, comprised of 18 paragraphs?---It is, yes.

*** MARGARET LYNNE PEZZULLO

XXN MR MOORE

PN25852

You have read that, have you?---I have, yes.

PN25853

You were provided that after it was filed late on Friday or over the weekend, were you?---It was about midnight, I think, on Friday when it came through, but I didn't actually view it until Saturday.

PN25854

You have read all of it?---I have.

PN25855

Thank you. No further questions, your Honour.

PN25856

JUSTICE ROSS: All right. I presume there's nothing arising.

PN25857

MR WHEELAHAN: Well, I'd just - - -

PN25858

JUSTICE ROSS: What were you saying? She has only been asked whether she has read the statement.

PN25859

MR WHEELAHAN: Yes, I know. Well, in fairness, if he's going to actually put it to her in cross-examination, he should put specific matters rather than just say, "Have you read it?"

PN25860

JUSTICE ROSS: She has read it and you've been given an opportunity to ask her questions about it. I'm not sure how a *Browne v Dunn* point would arise.

PN25861

MR WHEELAHAN: I've asked the key main issues.

PN25862

JUSTICE ROSS: That's a matter for you as to what you have taken her to, but the key point is that she has had the opportunity to review the statement. She has been asked questions in examination-in-chief about the statement.

PN25863

MR WHEELAHAN: Yes. I just need 60 seconds to review the notes.

PN25864

JUSTICE ROSS: Sure.

PN25865

MR WHEELAHAN: No re-examination.

*** MARGARET LYNNE PEZZULLO

XXN MR MOORE

PN25866

JUSTICE ROSS: Thank you, Ms Pezzullo. You can move out of the witness box now?---Thank you.

<THE WITNESS WITHDREW [2.49 PM]

PN25867

MR WHEELAHAN: If the Commission please, I call Ms Serena Yu. Ms Yu, could you go to the witness box, please.

<SERENA YU, AFFIRMED [2.50 PM]

EXAMINATION-IN-CHIEF BY MR MOORE [2.50 PM]

PN25868

MR MOORE: Ms Yu, it's Stephen Moore here. Can you hear me okay?---Yes, Mr Moore. I can hear you.

PN25869

Ms Yu, could you repeat for the Commission your full name and address?---Yes. My name is Serena Yu. I'm at [REDACTED].

PN25870

Your occupation, Ms Yu? Could you tell the Commission that, please?---I'm a senior research fellow at the University of Technology, Sydney.

PN25871

Have you got with you in the witness box there a witness statement in your name, comprised on 18 paragraphs and eight pages which, on the eighth page, is dated 18 December 2015?---Yes, I do.

PN25872

Is that a copy of a witness statement prepared by you for use in this proceeding?---Yes, it is.

PN25873

Have you read it recently?---Yes, I have.

PN25874

Are there any changes or corrections you wish to make to it?---No, there are not.

PN25875

Does that statement accurately set out opinions formed by you on the basis of your expertise?---Yes, it does.

PN25876

Thank you, Ms Yu. I tender that, if the Commission please.

*** SERENA YU

XN MR MOORE

PN25877

JUSTICE ROSS: I'll mark that exhibit SDA55.

**EXHIBIT #SDA 55 WITNESS STATEMENT OF SERENA YU
DATED 18/12/2015**

PN25878

MR MOORE: Ms Yu, did you hear Ms Pezzullo give evidence a few moments ago?---Yes, I did.

PN25879

Are there any matters which Ms Pezzullo gave evidence about to which you wish to respond?---Yes, there are four points that I'd like to make in response.

PN25880

All right. Those four points that you wish to make in response, are they in response to the evidence that Ms Pezzullo has given this afternoon?---Yes, they are.

PN25881

Thank you. Could you please deal with the first point perhaps by beginning with identifying the substance of the evidence which Ms Pezzullo gave which you want to respond to in the first point?---Yes. If I can draw your attention to my witness statement, paragraphs 13(a) and 14. Ms Pezzullo was asked about table 2, and in particular the first row of numbers, the minus 7.7 per cent identified in the first year, and she stated that it was not very standard to test for the individual year effects or the cumulative effects, which I would have to disagree very strongly with. There are references at the back of my witness statement which will give instruction on how to actually test for the impact of multiple treatments, which is what I have done. When I say multiple treatments what I'm referring to is the increase in the Sunday penalty rates which occurred over five years in five steps.

PN25882

Ms Pezzullo commented on that negative first-year impact, but in my original report and in this report here I have tested the effects of the five increases and that is how I've actually reached my conclusion that there was no systematic impact across the five years worth of increases. I have always been very open that there was a negative first-year effect, but if you look down the table in both columns you will see that the coefficients are actually negative and positively, and mostly statistically insignificant.

PN25883

The second part of my response to Ms Pezzullo on that point is if I can draw your attention to her report dated 2 December, paragraph 4.21, where Ms Pezzullo has drawn a conclusion for what she believes is the impact, the employment effect of the increases in the Sunday penalty rates. First of all, in paragraph 4.21(g) she concludes that:

PN25884

My conclusion is that behaviour in New South Wales may have moved towards that in Victoria, as Sunday penalty rates in New South Wales have moved to the level of Victoria.

*** SERENA YU

XN MR MOORE

PN25885

Notwithstanding that that language is, to me, unclear, she has drawn that conclusion based on the table opposite, table 4.5 in line (g). If you can see the bottom right hand figure it reads .02. Now, statistically speaking, .02 is a large probability value, what it means is that no statistical significance was found in the relationship she was trying to identify.

PN25886

So by her own model where she has compared employment in Victoria and New South Wales post-2010, which is what she has done in that line there, she found no statistical difference. So whether or not you test the five years or her model, which was just one impact post-2010, there was no systematic effect and that's just the first point.

PN25887

MR MOORE: Thank you, Ms Yu. What was the second point in Ms Pezzullo's evidence to which you wanted to respond?---Yes. Ms Pezzullo referenced a series of what she calls Quandt-Andrews tests for a test of a structural break in the employment data that I used. It's in her report dated 2 December and it's in paragraph 3.3(e) is the first one for New South Wales and 3.3(g) for Victoria.

PN25888

Yes?---If I could draw your attention to my witness statement which responds to these tests, it's in paragraph 6(ii) and (iii), Roman Numerals (ii) and (iii), where I argue that there is actually no structural break. And the way that I show that there's no structural break is that I test the hypothesis that this structural break was actually volatility induced by the global financial crisis which Ms Pezzullo, throughout her reports, has also contended would be a significant factor on employment in retail. So I've replicated - if you can see table 1 there I've replicated Ms Pezzullo's identification of a structural break in what she says is the end of 2007, which is in her paragraph 3.3(e) and if I don't control for the impact of the economic crisis, yes, I find that there is a break in the trend in New South Wales. But if I do then in fact control for New South Wales' response to the economic crisis, which is the second row in my table 1, you can see that the P value is quite large and it finds that there was no break in the time trend in New South Wales over that period. Regarding the time trend, which is a large part of Ms Pezzullo's second report, the other point I wanted to refer back to, which was in my first reply which I believe is dated 5 November, in figures 1 and 2 you can see there that the time trend in the employment figures between New South Wales and Victoria, the trends have been parallel over a very long period of time. So the period where the structural break is alleged to have occurred, which was due to the crisis in any case, was really just volatility over a very long - was really just volatility over what is a stable long-term trend. That's the end of the second point.

PN25889

That was the end of the second point, was it?---Yes, it was. Thank you.

*** SERENA YU

XN MR MOORE

PN25890

Could you identify the third point in Ms Pezzullo's evidence which you wanted to respond to and provide your response?---Yes. My third point goes to paragraph 3.7(d) in Ms Pezzullo's second report dated 2 December. Ms Pezzullo spoke about figure 3.2 in that, can you see that?

PN25891

Yes?---Ms Pezzullo spoke about figure 3.2 and if I can just read the bold part of her report it says that even in terms of used model, the introduction of Sunday penalty rates has an effect of lowering employment that persists due to the statistically significant impact in the first year. There are a few points about the visual presentation I would first like to comment on. The first is that the scale on the vertical axis is extremely granular to enhance the perception that there was any effect. And the second point is that in plotting this figure, Ms Pezzullo has chosen to exclude many of the other variables which I did include in my model, which included employment for population, unemployment rates, and retail sales. So at the outset it's already a very simplified figure to draw any conclusions on, but my response to that particular figure is set out in paragraph 7(a) in my witness statement on 18 December. What that basically says is that you can't test this kind of hypothesis by looking at a graph. Ms Pezzullo is effectively testing whether or not there was a sustained negative employment effect, and she has done it using a picture. As you can see from footnote 3 at the bottom of my paragraph 7(a) I've actually quoted back from the original report that a test on the sum of the five years coefficients show that the cumulative effect was not statistically different from zero, and this conclusion remained the same in light of the revised analysis I presented in this witness statement. So it is far preferable to have this statistical conclusion over the visual representation provided by Ms Pezzullo. And that's my third point.

PN25892

Thank you, Ms Yu. Ms Yu, please, if you could identify the fourth point that you wanted to respond to?---Yes. Just give me a minute to get my papers together.

PN25893

Yes?---Ms Pezzullo made a range of comments about identical control groups and how these would be necessary for the difference in difference approach. There are a few points I wanted to make in relation to how comparable the control groups are. The first I've already drawn your attention to which was in my first reply which was dated 5 November in figures 1 and 2. You can see that the employment trends over quite a long period of time in Victoria and New South Wales are comparable, both from a visual perspective, but also from a statistical perspective where I've put the progression lines over time on the figures. The second point in relation to how comparable New South Wales and Victoria are comes from my original report, which is dated 30 October on page 16 where I've actually set out the model itself. On page 16, just below equation 1, the second sentence there reads:

*** SERENA YU

XN MR MOORE

PN25894

Controls for observed State-specific factors are contained in the vector X_{st} and includes time varying State level unemployment rates, employment to

population ratios, and State retail sales. These variables are particularly important for controlling for the potential State-level effects of the economic crisis of 2008 and 2009.

PN25895

So I've made quite some effort to take account of these State-level effects which might render them incomparable, and certainly the effects of the crisis in the two different States might have a large effect. The third point relating to the comparability of the two States, if I could draw your attention to Ms Pezzullo's second report on 2 December and her paragraph 4.14 where she set out her model. You can see from her model, although the equation is quite long, the only thing she has controlled for are retail sales. So in her own modelling approach she has done relatively little to ensure the comparability of her analysis between Victoria and New South Wales. She has got some dummy variables relating to 2008 and 2010, and retail sales. She hasn't included any general macroeconomic effects, what might have been happening in labour markets in the two respective States over the course of the period from 2000 to 2015. And that's all.

PN25896

Thank you, Ms Yu. Just wait there, please.

PN25897

JUSTICE ROSS: Cross-examination

CROSS-EXAMINATION BY MR WHEELAHAN

[3.05 PM]

PN25898

MR WHEELAHAN: Ms Yu, the GFC that you now make a significant point about?---Yes.

PN25899

That relates to 2008 and 2009, is that right?---Predominantly.

PN25900

Yes. And it's a separate and different issue to the analysis that you undertook and the results that you set out in paragraph 13(a) and the table at paragraph 14, table 2, of your report, exhibit number SDA55, correct?---Sorry, am I looking at my witness statement paragraph 13(a)?

PN25901

13(a) and 14?---Yes.

PN25902

That table. That's not dealing with the GFC in 2008, 2009, is it?---Yes, it is. The model is completely the same except for the specified changes at paragraphs 10, 11 and 12.

PN25903

I'm sorry. The data that you're relying on in your report post-dates the GFC, correct?---The data goes from the year 2000 to 2015.

*** SERENA YU

XXN MR WHEELAHAN

PN25904

I think we're at cross purposes. Your report, you have recorded, at paragraph 13(a) a reduction in total employment of 7.7 per cent in New South Wales. Do you see that?---Yes.

PN25905

And - - -?---In 2010.

PN25906

The GFC that you talk about in your earlier report, you refer to that being the economic crisis of 2008, 2009?---Yes, they're distinct things. What I'm showing in the table is the effects of the first increase in Sunday penalty rates.

PN25907

Yes. So that's my point - - -?---The model continues - the model has always controlled for the effects of the economic crisis.

PN25908

When I cross-examined you on the last occasion you accepted that there was a downward trend in New South Wales for that year ending July 1, 2010; do you still accept that?---Not if you control for the economic crisis, which you also raised in that line of questioning.

PN25909

Well, on the last occasion you did accept it, and further you accepted that a potential explanation for that was the announcement of transitional provisions on September 2nd of 2009 in New South Wales of an increase in penalty rates; do you recall that?---I do recall that.

PN25910

So what I'm suggesting to you, were you asked to make a lot more emphasis about the GFC in this third report that you've now produced to the Commission?---No, I was not.

PN25911

Do you accept that you didn't make much emphasis on it when you were cross-examined about the structural break that has been put to you at '09/'10 in New South Wales?---I recall only one question in my cross-examination about the impacts of the crisis. And I said that I - I actually don't really recall what I said, but I would hope to say it had a big impact on employment, as any economist would say.

PN25912

Table 3.2 of Ms Pezzullo's report?---Yes.

PN25913

Retail 13?---Yes.

*** SERENA YU

XXN MR WHEELAHAN

PN25914

And what's recorded there - this is the data dealing with New South Wales and you can see at 2010 the sharp drop - and you said, well it's exaggerating the effect by the axis - - -?---Sorry, is this table 3.2 or figure 3.2?

PN25915

Figure 3.2. It's on page 12?---Yes.

PN25916

And your complaint, I take it, is that you say that it's being exaggerated because of the axis, is that right?---That's one of my complaints, yes.

PN25917

Well, that's your major complaint, isn't it?---No. The major complaint I've addressed in my witness statement in paragraph 7(a) which is that you can't rely on a visual test of a hypothesis when you have a much more reliable statistical test.

PN25918

Yes. And so what I want to put to you, though, is that that visual drop in New South Wales is consistent with the 7.7 per cent that you found and recorded at paragraph 13(a) of SDA55, and also the reduction in aggregate hours of 7.1 per cent; that's correct, isn't it?---Yes, they were - - -

PN25919

That's correct, isn't it?---Yes. There was negative employment effects in the first year, yes, as you can see from my table. But not across the five years.

PN25920

No, no. I'm not talking about five years. When you gave evidence and took issue you made a point of saying to the Bench that the axis exaggerated the effect in 2010 of the reduction in employment?---Yes.

PN25921

Well, what I'm suggesting to you is that it's consistent with the statistically significant reduction that you recorded at paragraph 13(a) of SDA55; that's correct, isn't it?---The visual exaggeration stands because if the vertical axis had started from say zero instead of 10.15 as it does, you would not be able to discern that first-year drop at all.

PN25922

I will put it to you a third time. It's correct, isn't it, that it's consistent with what you have found as a statistically significant reduction as recorded in paragraph 13(a) of SDA55; that's correct, isn't it?---It is consistent with the first year negative effect that I found, yes.

*** SERENA YU

XXN MR WHEELAHAN

PN25923

Yes. And you simply don't accept, as Ms Pezzullo has said in bold above her figure 3.2, that once one has that significant - statistically significant reduction in employment - numbers in employment hours, that thereafter, consistent with your

year-by-year statistical analysis, the trend after that remains the same?---No, that's incorrect.

PN25924

Yes. No further questions.

PN25925

MR MOORE: Nothing arising.

PN25926

JUSTICE ROSS: Okay. Thank you, Ms Yu?---Thank you.

<THE WITNESS WITHDREW

[3.13 PM]

PN25927

JUSTICE ROSS: Anything further?

PN25928

MR MOORE: Unless the Bench has questions from the witnesses. Not from my side of the Bar table.

PN25929

JUSTICE ROSS: Mr Wheelahan?

PN25930

MR WHEELAHAN: No.

PN25931

JUSTICE ROSS: We don't have any further questions. Does that conclude the evidence of these two witnesses?

PN25932

MR MOORE: Yes.

PN25933

JUSTICE ROSS: All right. Thank you both for your attendance. Thank you, gentlemen. Nothing further, we will adjourn.

ADJOURNED INDEFINITELY

[3.13 PM]

*** SERENA YU

XXN MR WHEELAHAN

LIST OF WITNESSES, EXHIBITS AND MFIs

MARGARET LYNNE PEZZULLO, RECALLED AND REAFFIRMED.. PN25820

FURTHER EXAMINATION-IN-CHIEF BY MR WHEELAHAN PN25820

CROSS-EXAMINATION BY MR MOORE PN25847

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**EXHIBIT #SDA 55 WITNESS STATEMENT OF SERENA YU DATED
18/12/2015 PN25877**

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