

PROPOSAL FOR CONSULTATION

Heads of Agreement - Improving confidence in the QH payroll system

In November 2010, the Queensland Government committed to implementing all the recommendations from the Ernst and Young report on the Queensland Health payroll system. The blueprint outlined by Ernst and Young included:

- Planned incremental payroll system improvements month-by-month between November 2010 and June 2011, to deliver a system that is more accurate and efficient than today.
- At the same time, from January 2011 an 18 month reconfiguration of the whole system which will fundamentally improve the system's performance, and deliver new features that will make life easier for staff.

By May 2011, improvements to the accuracy and efficiency of the payroll system had been achieved and the recovery of overpayments commenced. However, feedback from staff has clearly indicated that they do not have sufficient confidence in the payroll system for the recovery of overpayments to continue in an ongoing way.

The Queensland Government has been working with the health unions to identify how best to continue to meet the responsibilities of government in relation to taxpayers' funds and maintaining a skilled and dedicated workforce that has confidence in the system that delivers their pay each fortnight.

We have reached in principle agreement on a proposal for union membership consideration to achieve this balance. We have also agreed the Queensland Industrial Relations Commission (QIRC) should act as an independent umpire and oversee the implementation of the agreed initiatives. The five key initiatives are:

1. A moratorium on recovery of overpayments
2. Increased focus on underpayments
3. Appointment of external Workplace Ombudsman
4. More support for line managers
5. New pay adjustment arrangements and pilot of new pay cycle arrangements.

The implementation plan for these initiatives will be reviewed by an external party to confirm the validity of the plan.

The implementation of the agreed initiatives will be an ongoing process under the supervision of the QIRC, and Queensland Health will engage health unions throughout.

1. A moratorium on recovery of overpayments

Queensland Health will implement a moratorium on recovery of overpayments. QH will shift its focus from dealing with overpayments to dealing with underpayments.

The moratorium will run until such time as these further strategies to address underpayments have been significantly progressed. The conclusion of the moratorium will be part of the discussions to be held with the QIRC as the independent umpire.

Staff who have received overpayment letters relating to the period prior to the 15 May 2011 will not be contacted to arrange a repayment schedule. Also, Queensland Health will not commence the recovery of overpayments that have occurred after 15 May 2011.

Staff are always welcome to voluntarily repay an overpayment and this remains unchanged. Repayment schedules that have already been agreed can also continue to be progressed unless the staff member wishes to change these arrangements. Additionally, Queensland Health will continue to provide information and case management assistance to overpaid staff, where specifically requested by a staff member to do so.

2. Increased focus on underpayments

The correctness of information in the payroll system is dependent on entering data correctly and in time for the system to generate each person's pay each week. The processing of roster changes and other forms is a significant contributor to the accuracy of information in the payroll system. Queensland Health will further prioritise the processing of forms.

Where information in the system has not been changed to reflect changes to rosters, overpayments or underpayments can occur. Queensland Health will focus on ensuring that where underpayments have occurred, that they are addressed as quickly as possible.

Staff whose pay does not reflect the actual roster worked, resulting in an underpayment, will be given the highest priority to resolve. If AVAC forms are submitted within six weeks of the change to the roster, Queensland Health will:

- introduce a process in all payroll hubs to specifically record and provide for the priority management of underpayment claims.
- following contact by a staff member to bring the underpayment to the attention of payroll staff, acknowledge the contact within 24 hours, respond to simple claims within two working days and complex claims within five working days
- ensure where underpayments are validated, they will be reimbursed as an adhoc payment in the existing pay cycle, where feasible and agreed by the staff member, rather than wait for the next pay cycle.
- ensure adequate resourcing to achieve the above service standards

To deal with any backlog of underpayment claims, staff will have until 1 August 2011 to log their existing underpayment claims and payroll staff will commence the resolution of their claims. Claims relating to events before this agreement that are not logged by this date will still be processed, but will not be prioritised

Queensland Health will improve reporting to the Director-General in relation to the management of complex payroll issues. This will ensure supervision of the

management of complex cases within the payroll service and provide the necessary authority to resolve issues.

3. Appointment of external Workplace Ombudsman

In recognition of the importance of increasing staff confidence in the way Queensland Health addresses staff pay complaints, a Workplace Ombudsman will be appointed.

The Workplace Ombudsman will consider complaints in relation to matters not speedily dealt with, make enquiries on behalf of employees, facilitate the resolution of any residual disputes with employees, provide reports and make recommendations to Queensland Health's Director General.

4. More support for line managers

It is critical for Queensland Health's frontline managers to be able to support their teams in delivering the best possible health care service to the people of Queensland. Administrative payroll tasks should not prevent managers from discharging their healthcare management duties.

To provide additional support to managers, Queensland Health will:

- Undertake an assessment of line manager workloads associated with payroll-related duties.
- Provide an additional funding in 2011-12 for administrative or other support to assist these line managers with payroll-related duties, to determine work areas significantly affected by these workloads.
- Provide training to line managers to further support them in undertaking payroll tasks that form part of their standard day-to-day duties.

Additionally, Queensland Health recognises that the management and resolution of payroll issues is often best done at the local level. The Department will build on current local service models and promote further initiatives to improve the lines of communication between payroll hubs and work areas. This includes:

- The introduction of intensive complaint management processes in agreed locations throughout the State.
 - Resources will be provided to oversee these processes including communication, specialised assessments and analysis by senior payroll staff, and complex case management. Additionally, assistance will be provided with the transition to an amended payroll cycle (discussed below in item 5).
- The appointment of local payroll hub staff to visit facilities and provide on-site advice, assist with simple queries and refer and follow-up other issues with the payroll hub.

Queensland Health also acknowledges the significant payroll issues of employees who work two jobs within the Department (known as 'concurrent employees') and this will be considered in determining where intensive complaint management may be required.

In its November 2010 report on payroll, Ernst and Young (E&Y) advised that the implementation of an end-to-end rostering and payroll processing solution would deliver significant improvements in the Queensland Health payroll. Queensland Health will again engage E&Y to provide advice on what opportunities exist to fast track the commencement of implementation of such a solution (from the original June 2012 date proposed in its November 2010 report on payroll).

Consistent with the overarching requirement to ensure the provision of high quality health care, Queensland Health recognises the need for staff to be able to deal with pay-related matters during work time. Queensland Health will work with line managers to arrange within-work time for staff to address their payroll issues.

5. New pay adjustment arrangements and pilot of new pay cycle arrangements

To improve transparency, Queensland Health and Unions have agreed to a proposal for a legally enforceable mechanism (that may include an award variation) that outlines a number of existing practices and clarifies how they relate to two initiatives that aim to assist in the transition to an improved payroll system.

These initiatives are:

- i. Trialling a small number of pilot site to changes to shift the cut-offs for lodgement of adjustments to published rosters from 12am on the last Sunday of the roster cycle to 9am on the last Friday of the roster cycle.
- ii. Process adjustments from prior roster periods when generating the pay with a cap on the recovery amount before an overpayment is generated.

(i) Trialling shifting the cut-off for lodgement of adjustments

Currently, adjustments to rosters can be lodged up to midnight on the last Sunday of the roster cycle. The late timing for these adjustments means that changes cannot be made before the pay is generated and sent to the bank. By bringing forward the cut-off to 9am on the last Friday of the roster cycle, there will be sufficient time to process the adjustments in time for pay to be deposited into employees' bank accounts by the following Wednesday. Any adjustments to the roster for the last Friday, Saturday and Sunday of the pay cycle received after this cut-off time will be adjusted in the subsequent pay period.

Queensland Health and unions have agreed to pilot this approach at a small number of suitable sites. Health unions will be involved in overseeing the pilot and in completing an evaluation of its outcome.

While the pilot is operating, Queensland Health will provide a plan outlining how it would propose to roll out this change across the State, in a phased approach. Queensland Health will actively construct this phased approach in consultation with the unions.

Each new phase of the planned roll out will only commence following union consultation and the agreement of the Queensland Industrial Relations Commission as part of its involvement in the process as outlined in below.

(ii) Processing adjustments in the following pay

To ensure that the value and number of underpayments and overpayments is reduced, Queensland Health and unions agreed to clarify how adjustments submitted in the prior pay period will be dealt with.

This will allow the automatic recovery of prior pay period overpayments... This means that where employees receive more than they are entitled to, subsequent pays can be automatically adjusted to repay only those amounts. This will be subject to restrictions.

These restrictions will prevent Queensland Health recovering more than 10% of the gross base rate of pay for employees earning up to \$1,923 in the current pay period and 15% for employees earning over this amount in the current pay period, without their express consent.

Where the adjustment has been processed and employees claim personal hardship, Queensland Health will consider an application from employees for relief. Should an employee leave Queensland Health, all overpayments will be finalised at this time.

The issue of the mechanism for notification of employees with respect to overpayments will be subject to determination by the Queensland Industrial Relations Commission.

The parties shall report to the Queensland Industrial Relations Commission on a monthly basis as required to ensure employees are not adversely affected by this process.

Draft - in principle
agreement for consideration