

MINUTES – EMPLOYEE CONSULTATIVE GROUP (ECG) MEETING

Wednesday, 28 April 2021
GovTEAMS

Meeting opened: 11:05 am
Meeting closed: 12:20 pm

Meeting chair: **Ms Dana Sutton** – Department of Finance (Finance)

Attendee	Office
Mr Luke Barnes	Mr Dave Sharma MP
Ms Alison Byrnes	The Hon Sharon Bird MP
Mr Tom Pretty	The Hon Dan Tehan MP
Mr Colin Lees	Senator Richard Di Natale
Ms Helen Lewis	The Hon Stuart Robert MP
Ms Kate Sutherland*	Ms Lisa Chesters MP
Ms Maree Goodrick**	Senator Kimberley Kitching
Ms Kim York	Senator Rex Patrick
Ms Eleanor Kennedy	Community and Public Sector Union
Mr Steven Mammarella	Minister for Finance
Ms Dana Sutton	Finance
Mr Jillian Flinders	Finance
Mr Luke Kostava	Finance
Ms Joanne Fernandez	Finance
Ms Heather Millard (item 1)	Finance

Apologies: *Ms Georgia Goldsworthy (The Hon Anthony Albanese MP), Ms Cathy Heidrich (The Hon Mark Coulton MP), **Mr Thomas Moorhead (Senator the Hon Kim Carr), Mr Brydan Toner (Dr Mike Freelander MP)

Agenda Item 1 – Introduction and apologies

- Ms Sutton opened the meeting.
- Ms Millard provided an update to the MaPS website project. She provided examples of new content that will be available on the new website.

Agenda Item 2 – Discussion of EOA back pay matter

- Ms Sutton provided information on the EOA back pay matter. On 14 April 2021 MaPS advised relevant unions and all staff that we had identified that staff at the EOA-1 and EOA-2 salary points have been underpaid due to increases in the *Australian Government Industry Award 2016* at certain periods over the last four years.
- Approximately 60 current staff are affected and will be correctly paid from the 15 May 2021 pay cycle. Finance is aiming to pay all impacted staff by the end of the financial year.
- MaPS is not yet able to quantify the total value of the underpayments, and will do so once the matter has been remedied.
- The impacts on superannuation, tax and allowances are also being considered.
- Audit and assurance is to be provided by KPMG, who has been engaged to provide quality assurance to the process in and to audit Finance's methodology. The cost of the engagement will be reported on AusTender once completed.
- A small taskforce team has been set up within Finance to work on the matter.
- MaPS will apply a consistent methodology on the calculation of back pay. However, employees can discuss their individual circumstances with MaPS.
- Ms Sutton outlined how the Electorate Support Budget (ESB) will be affected. Where offices have already made commitments up to the end of the financial year, their budget will be adjusted at the same level to not make any impact. Mr Kostava noted that at this stage future ESBs are unlikely to be adjusted as they are calculated on the base of the EOB level. MaPS will communicate these arrangements in the near future via email.
- Ms Sutton stated that the Fair Work Ombudsman (FWO) was notified of the matter on 9 April 2021. MaPS will update them again in a meeting in early May. As requested, copies of the information provided to the FWO was included in the pack to ECG members.
- Ms Sutton noted that to ensure the issue does not occur again, multiple teams will be monitoring the award including the hourly rates. A safeguard is being considered to be used in conjunction with PEMS.
- Ms Sutton noted that a question had been raised on how the issue interacts with enterprise bargaining considering that it was proposed that future salary rates are tied to the wage price index (WPI). Ms Sutton noted that the legislative provisions required compliance with the award. Ms Sutton also noted that if successfully voted through, the Fair Work Commission would consider the 'Better Off Overall Test' in regards to meeting the undertaking and requirements.
- Ms Sutton opened the meeting to any questions. Ms Goodwin asked how the issue was discovered. Ms Sutton stated that in March, MaPS was reviewing the costing for a potential future Enterprise Agreement. MaPS sought advice from the Attorney General's Department that it needed to be based on the hourly rate, not the annual rate.
- Ms Goodwin asked what Finance's audit processes were before the issue was discovered. Ms Sutton outlined that there were a number of several audit processes

such as through the Australian National Audit Office, KPMG and through the Fair Work Commission that did not discover the issue.

- Ms Sutton explained that staff were contacted via email and through mobile numbers on file (where no email was available). Ms Goodwin asked if MaPS could distribute the email template used to contact staff. Ms Sutton agreed to take this on notice.
- Ms Goodwin asked if parliamentarians would receive individualised advice on the affected employees in each office and timeline on communications and noted that she had written seeking this information and had not received a response as yet. Ms Sutton indicated that the focus at this time was on the rectification works and ensuring that people were paid as soon as possible but that she would look into that and come back to Ms Goodwin outside of the meeting.
- Ms Goodwin requested that if there was going to be a delay from the help desk in responding to queries, that MaPS provide an update. Ms Sutton agreed that this is appropriate.
- Ms Byrnes was concerned that queries from offices were not being answered in a timely manner. She asked how many questions from offices were asked, how many were answered and what was the average wait time for responses. Ms Sutton agreed to take this on notice.
- Mr Lees asked what the split of work between KPMG and Finance would be. Ms Sutton reassured that the work is not being outsourced to KPMG, and are being used as an assurance and auditing process. Mr Lees contended that there seems to be a capacity issue within MaPS.
- Ms Kennedy commented that to ensure the issue does not occur again, the salary rate should be set well above the award rate. She also asked if Finance had been issued with a fine. Ms Sutton said this was a matter for the FWO.
- Ms Kennedy asked if Finance was confident that it is meeting its payslip obligations under the *Fair Work Act 2009*. Ms Sutton that she was confident that Finance was meeting its obligations in relation to payslips. Staff can access payslips through OnlineHR and for staff without access to OnlineHR, other arrangements have been made.
- In relation to the rollout of PEMS, Ms Goodwin asked what training and communications would be available to staff. Ms Sutton agreed to take this on notice.
- Ms Goodwin asked if Centrelink and the ATO had been consulted with regarding the EOA underpayment issue. Ms Sutton noted the team is confirming with the ATO appropriate taxation arrangements. Ms Sutton agreed to take the Centrelink matter on notice and noted that these instances would be reviewed on a case by case basis. Ms Kennedy echoed Ms Goodwin's concerns.
- Ms Goodwin asked if there would be any ESB impacts for previous financial years. Ms Sutton stated that as these years were complete there is no impact for ESB for previous financial years.
- Ms Byrnes discussed the possibility of emailing payslips in the new PEMS system as some staff have difficulties access the online portal. Ms Sutton noted that Finance is compliant with the relevant legislation and that if people are having issues, they should contact the MaPS help desk to make other arrangements.

Action Items

2021/1: Finance to consider distributing the email template that was sent to affected current and past employee.
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2021/2: Finance to investigate how many related queries had been asked, answered and the average wait time for response.
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2021/3: Finance to consider what PEMS training and communications would be available to parliamentarians and staff.

2021/4: Finance to consider consulting with Centrelink for any staff who have reporting obligations.
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