

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings November 2014
Communications Portfolio
Australia Post

Question No: 307

Program No: Australia Post

Hansard Ref: Page 65, 20 November 2014

Topic: Payroll system

Senator Urquhart asked:

Senator URQUHART: I understand that Australia Post changed its payroll system in or around 2010. Is that correct? Did you have payroll changes?

Mr Fahour: Yes.

Ms Walsh: We will take the exact date on notice. It was around 2009 or 2010.

Senator URQUHART: Can you tell me—and you may need to take this on notice—how much that cost the corporation?

Ms Walsh: I will take that on notice.

Senator URQUHART: Thank you. How effective has that payroll system change been?

Ms Walsh: I think that payroll system change has been very effective.

Senator URQUHART: Do you know how many irregularities would occur on average for each fortnightly pay period over the past 12 months?

Ms Walsh: Again, to be precise, I will take that on notice.

Senator URQUHART: Okay, thank you.

Ms Walsh: What I can say is that pre and post that change, it is my understanding that those irregularities are largely on par with a large workforce of shift-working nature. You can expect, even with the best payroll system, that there are changes and there are variations, and people putting in late forms and notices. We seek to address those as quickly as possible once they come to notice.

Senator URQUHART: Yes, sure.

Ms Walsh: We have out-of-cycle pays and the like, but my understanding is that we have done some of those comparisons and the numbers are largely the same pre and post the new system.

Senator URQUHART: You will probably need to take this on notice, although you may be able to give me a bit of a sketch of it. I have dealt with payroll systems over many years and I know irregularities happen, for all sorts of reasons. In terms of both underpayment and overpayment of wages, do you know what the cause and the value of those would be?

Ms Walsh: Again, I would have to take it on notice. In a workforce of 37,000 there would be a variety of issues. What we generally find, particularly where there has been an overpayment which we may seek to recover, is that people have been on long-term leave—be it leave without pay or sick leave—and have not notified or given the appropriate information. It has not been recorded appropriately. They have continued to be paid and then there is an adjustment that needs to occur.

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Answer:

The following details relate to Australia Post (excluding subsidiaries):

1. The payroll system used by Australia Post is SAP. It was rolled out in 2010 at an approximate cost of \$20 million.
2. A complex payroll of more than 33,000 employees will have many thousand ongoing fortnightly 'adjustments' rather than 'irregularities'. It would be difficult to quantify the number of adjustments.
3. **Leave Adjustments:** The vast majority of payments made which require adjusting are due to the late advice of leave by the individual or facility in which they work. Of these, most are adjusted/recovered in the next pay and are therefore deemed as a 'leave adjustment'.

Overpayment: An overpayment is raised when:

- the funds owed cannot be recovered in one fortnights pay; or
- the employee has ceased employment.

Underpayments: Underpayments generally occur when Payroll Processing has not been notified of an employee's additional hours, shifts, change of hours or the like.

The value is impossible to determine as they are treated as ongoing payroll adjustments and are rectified fortnightly.