



15 December 2021

Gerard Hayes
Secretary
Health Services Union – NSW, ACT, Qld Branch

By Email: secretary@hsu.asn.au and gerard.hayes@hsu.asn.au

Dear Mr Hayes

Bupa Pay Compliance Review

I am writing to advise that, following an extensive proactive pay compliance review, we have identified underpayments of employee entitlements affecting some current and former employees. Deficiencies in internal systems and processes resulted in mistakes being made in the application of some provisions of Bupa's enterprise agreements and modern awards. Employees are being advised of this today.

We deeply regret that this has occurred – it is simply not good enough. We are taking responsibility in line with our values and are committed to resolving this fairly as a priority.

Details of the review

The pay review extends across all Australian Bupa businesses, including our aged care, health insurance and health provisioning businesses. An internal team working alongside external advisors has reviewed 28 enterprise agreements and modern awards, analysing millions of individual pay records, covering some 50,000 current and former employees. The review dates back to 1 July 2014.

We now have the initial findings of the review and expect the full results in 2022. Over the seven and a half years of the review, we estimate that the wage underpayments impact around 18,000 current and former employees and have a value of between \$65m to \$75m, excluding interest and applicable superannuation. We are currently validating the initial findings, and are working through the impact for each individual. We expect to start payments to impacted individuals from March 2022 onward.

We have notified the Fair Work Ombudsman about the initial findings, and we are committed to keeping the Ombudsman informed throughout the process in an open and transparent manner.

Employee Support

We understand that during this time many of your members will be looking to you for support, and I therefore wanted to ensure that you are provided with information to assist you to respond to these queries. Please find **enclosed** detailed FAQs. In addition, members may be directed to the Bupa Pay Review website (<https://payreview.bupa.com.au/>). Alternatively, your members may call 1800 979 639 between 8am – 5pm AEST for more information.

Once we determine the impact for individuals, current impacted employees will be contacted via email and/or letter by the Bupa Pay Review team. Every effort will be made to contact former employees who are impacted, using the details we have in our records. Should you publish an article regarding Bupa's review, we ask that you please include details of the Bupa Pay Review website and phone number so that any former employees who are still your members can readily access the relevant information.

Our Employee Assistance Program is also available to current and former employees, and their immediate family.

Next Steps

In addition to commencing the remediation process for current and former employees from March 2022 onwards, we are strengthening and simplifying our processes and systems, including putting in place additional auditing and assurance measures, to ensure we are doing all we can to prevent mistakes like this from happening again.

We understand that you may have questions or want more detailed information regarding the review. As we progress through the engagement with the Fair Work Ombudsman, and when we have validated findings, we would be happy to arrange a meeting with you to provide further information.

We appreciate your understanding and patience while we work through this review, and we welcome any support you can provide to your members during this difficult time. We are committed to ensuring we resolve the problems of the past, and are doing all we can to avoid this happening again in the future. We want Bupa to be a great place to work, and we are committed to ensuring that all our employees are treated and paid fairly.

Sincerely,



Alexandra Malon
People Director – Employee Governance
Bupa ANZ

CC Sarah Matar
Head of Industrial and External Relations, Bupa

Rogan McMahon
Head of Workplace Relations Strategic Projects, Bupa

Enc. FAQs