

## **SNSWLHD Salary Packaging Outsourcing Proposal**

Dear Member,

Attached is correspondence the HSU has received from Southern NSW Local Health District regarding the proposed outsourcing of Salary Packaging.

### **Member feedback requested**

The HSU industrial team is currently reviewing the potential impacts of the proposed restructure upon affected employees. We are now seeking feedback, views and comments from our members.

Please review the attached documentation and provide comment and feedback by close of business 27 November 2018. You can submit it by email to [julie.gordon@hsu.asn.au](mailto:julie.gordon@hsu.asn.au) with subject line *SNSWLHD Salary Packaging*.

**Not a member of the HSU? Now is time to join and have your say! You can join online at [www.hsu.asn.au/join](http://www.hsu.asn.au/join) or call 1300 HSU NSW and join over the phone.**

A union's effectiveness and negotiation power depends upon the strength and density of its membership base. Join your work colleagues today by becoming a member of the Health Services Union and help us continue to protect and improve your working life.

In unity,



Gerard Hayes  
Secretary, HSU NSW/ACT/QLD



## **CONSULTATION PAPER**

# **Southern NSW Local Health District Salary Packaging Outsourcing November 2018**

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## 1 Purpose of this Document

The purpose of this document is to inform affected staff and union stakeholders of the transition from in-house to outsourced salary packaging service provision.

This includes the approach, plan, roles and responsibilities for the following:

- Communication
- Management of affected staff

## 2 Introduction

Salary packaging encompasses a service where staff receive a financial benefit through taxation legislation allowing a portion of earnings to be used to reimburse personal expenses without the payment of any tax (in addition the tax free threshold); whilst also providing revenue to SNSWLHD. Since Southern NSW Local Health District (SNSWLHD) was formed on 1 January 2011, its salary packaging function has been an in-house service.

The Ministry of Health are currently coordinating a process to endorse panel providers and aims to engage LHD's by end 2018 with transition to panel providers complete by 1 April 2019. To date, only 2 other LHD's still undertake this function in-house. All other LHD's have moved to an external provider.

The in-house provision of salary packaging at SNSWLHD will be decommissioned, resulting in the deletion of three (3) positions, equivalent to 3.0 FTE in the Finance & Corporate Services directorate; and will be replaced by a specialist, external provider. This change will provide an opportunity to:

- Work with peer LHD's and specialist provider to engage the best possible service for our staff
- Provide staff with access to technology enabling visibility and self-management of their account, easy access to progressively upload expense claims and increased information and resources to make salary packaging decisions
- Align with Ministry of Health and other LHD's in salary packaging practice
- Work with leaders and managers to increase and promote understanding and uptake
- Decrease costs and increase revenue compared to in-house provision

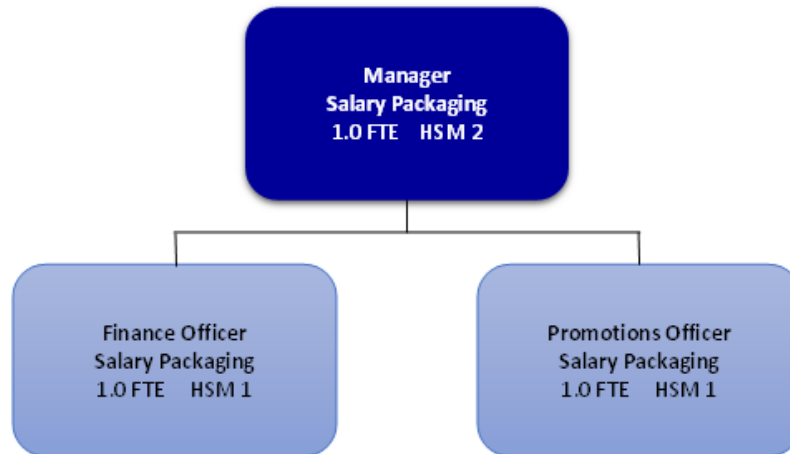
For affected staff who become excess the focus will be using a person-centred approach, providing clear information, creating options and empowering choice to achieve a transition outcome including redeployment where suitable and appropriate.

Changes will be managed according to NSW Health position documents:

- [PD2012\\_021 Managing Excess Staff](#)
- [PD2017\\_040 Recruitment and Selection of Staff to the NSW Health Service](#)

### 3 Current Structure and Function

The objective of the Salary Packaging function is to provide compliant and effective delivery of the Ministry of Health Salary Packaging Scheme to employees of SNSWLHD through engagement, application of technical skill and customer service. The current structure to deliver this function is shown below:



### 4 Management of Affected Staff

The three (3) position holders as outlined in section 3 will be affected by this change:

- Manager Salary Packaging
- Finance Officer Salary Packaging
- Promotions Officer Salary Packaging

Affected staff will be reminded of the support available from SNSWLHD Managers and Executive and confidential free counselling via the [Employee Assistance Program \(EAP\)](#)

Affected staff may be declared excess. Excess staff will be managed according to NSW Health policy and procedure. The process for supporting these staff to achieve a transition outcome will be to discuss options as suitable and appropriate including redeployment which may include:

- Within SNSWLHD (priority placement into vacant positions)
- Across NSW Health
- Within Murrumbidgee Local Health District (MLHD) for those staff located within the geographic boundaries of MLHD
- With new external provider of Salary Packaging

Requests for voluntary redundancy will be considered and assessed if received. Where an excess staff member is unsuccessful in redeployment, they will be made an offer of voluntary redundancy including calculations of redundancy payment. Should they decline this offer a three (3) month retention period will commence where the staff member is provided with workplace support and career transition assistance. Should the staff member still not be successfully redeployed they will be issued further written notice two (2) weeks prior to the expiry date of the retention period and will be made forcibly redundant and exit the organisation at the end of the retention period.

## 5 Communication

Key activity dates have been developed to ensure all affected staff receive the right information, at the right time and from the right channel.

### 5.1 Communication Objectives

Key objectives of communication:

- Raise awareness of the change from in-house to outsourced salary packaging
- Help develop an understanding of the staff and organisational benefits
- Provide knowledge of what is changing and when, so that affected staff know what they need to do
- Provide understanding of the process, supports and the options available to affected staff to empower decision making and choice in transitioning and reduce fear

### 5.2 Key Messages

The following key messages will be used in communication and engagement activities:

- Affected staff will be engaged and supported throughout this change
- SNSWLHD will make every effort to find suitable redeployment options for affected staff where suitable and appropriate
- This change has been implemented by all other LHD's and pillars except two (2)
- For affected staff and those who become excess the focus will be person-centred approach, clear information, creating options and empowering choice to achieve a transition outcome including redeployment where suitable and appropriate

### 5.3 Key Activity Dates

Action	Communication	Proposed Date
Affected staff consultation (offer of conversation and options including interview with external provider)	Conversations Consultation paper	13 NOV 2018
Union consultation	USCC meeting Consultation paper	13 NOV 2018
Written advice to affected staff	Affected Status Letter	13 NOV 2018
Support affected staff to transition to suitable vacancy/ employment	Ongoing	13 NOV 2018 onwards
<b>Go Live external provider</b>		<b>19 DEC 2018</b>
Written advice to affected staff* who are declared excess	Excess Status Letter	on or after 19 DEC 2018
Written offer of Voluntary Redundancy (VR)	VR calculations provided as appropriate	on or after 19 DEC 2018
VR's accepted or declined	Incoming staff communication/s	02 JAN 2019
Staff who declined VR's be provided case management and career transition assistance	Letter to advise allocation for case management	02 JAN 2019
Staff who accepted VR's exit SNSWLHD	Exit form	09 JAN 2019
Staff unsuccessful in redeployment after three months case management advised of forced redundancy	Letter to advise forced redundancy	09 APR 2019

\* affected staff remaining within SNSWLHD



Endorsed by:

Andrew Newton

Chief Executive

Southern NSW Local Health District

8 November 2018