

Corporate Services reform – getting zapped by SAP

There are a number of restructures underway in the Department of Education and Training affecting State Offices, TAFE and schools. The most wide ranging ones are the result of the Learning Management and Business Reform (LMBR). Centralisation of corporate services including Finance and Human Resources using a new platform (SAP) is well underway. Student Administration will also be subject to a similar restructure with the implementation of a new system to covering students from Kindergarten to TAFE. These changes will eventually lead to a loss of jobs - how many jobs is something we don't yet know. Although the government speaks of improved 'efficiencies' one of the immediate impacts is work intensification – increased workload with inevitable higher stress levels for staff.

Starting from October 2010 finance processing using the new SAP system was switched on and legacy systems were switched off. This management decision ensured no plan B was available when SAP failed to deliver the efficiencies that were promised. Furthermore staff were moved out of their workplaces to Parramatta and Bathurst Shared Service Centres one year ahead of schedule. This ensured that there was no settling in time for users with finance staff still in place to assist with training and problems as they arose. The union believed assurances by management that the new system would simply convert work that was previously paper based to onscreen tasks. However over the past months staff have found things to be quite different.

PSA members have a number of complaints apart from the incredible clumsiness of the SAP system. Some staff who have never been required to undertake finance functions are now being asked to order materials, solve problems and then acquit the receipts. Others who in the past simply placed orders and checked the receipt of goods are now required to problem solve a system which is fundamentally much more complex than the previous system. In addition to their own work some are being asked to undertake part of the former work of finance staff outside of their own duty statement. Workload and stress issues are being commonly reported as a result.

In some instances work systems and business rules are being reshaped to fit the limited capacity of SAP rather than the software being shaped to fit the required business processes. From a union perspective - we want to ensure humane work systems are supported by the technology. That means ensuring changes to work don't lead to career dead ends or processes that are monotonous or that would lead to repetitive strain injuries. We acknowledge that there is a case for changing work processes where there are currently unnecessary steps or processes that could result in errors or fraud. As unionists we should support accurate and cost effective services to the public and ensure our members are not vulnerable to accusations of fraud.

Unfortunately the benchmarking and business improvement processes are all being driven from the top down and are based on proprietary tools provided by consultants. There is no genuine consultation or involvement of employees.

Background

Underpinning the government's creation of 13 Super Departments in 2009 is the aim of having a single information and communication technology (ICT) provider with five shared corporate shared service centres covering each of the larger Departments plus one to cover all of the smaller ones. Shared corporate services can then become more widespread.

One of the reasons for DET/TAFE/Schools using SAP is that SAP is commonly used in the public service. This fact leads some observers to speculate that in the future it will be possible for any shared service centre to deal with recruitment, payroll and finance for any public service department. In effect public service agencies may contract out their corporate services functions.

The centralisation of corporate services is a long standing government policy. One example of the direction this agenda takes is the [Business Link Pty Ltd](#). (AKA Bizlink)

Business Link, which also uses SAP, services the government agencies within the Human Services Super Department (which includes Housing, Community Services, Juvenile Justice and the Aging and Disability departments). It provides IT, human resources, finance and other services including fleet management, facilities, asset management and printing. A fee is charged for each query to Business Link coming from an agency which has entered into a service arrangement.

Bizlink employees are public servants. They work under public service conditions and pay. Many are union members. The complaints which are commonly heard about the level and effectiveness of the service provided include slow response time, mistakes with payroll and delays in recruitment. It is understood these problems come from low staffing levels and the inherent detachment from local knowledge and conditions which comes from being a centralised shared service centre.

Another example in NSW is [Service First](#) which delivers corporate services to about 80 smaller government agencies which together employ 8, 800 staff. Service First works in a similar way to 'Bizlink' and employs 540 staff.

See: <http://www.businesslink.nsw.gov.au/>

See also: <http://www.servicefirst.nsw.gov.au/Home.html>

Read more about the government IT strategy [here](#)
<http://www.itnews.com.au/News/224077,revealed-the-nsw-governments-shared-services-blueprint.aspx>

Queensland does it differently

It was widely reported that Premier Bligh in Queensland abandoned the shared service model in July 2010 after thousands of Qld Health employees were not paid on time or not at all due to systemic problems with their SAP based shared service system. A more decentralised system was implemented with more staff employed. Read more [here](#).

Union action required

If there's going to be structural change then the PSA needs to insist on genuine consultation about the impact. Jobs have to be properly designed and anyone displaced needs genuine retraining for jobs that are in demand - not left to their own devices as excess officers. Government agencies are required to submit change management plans to the Department of Premier and Cabinet for approval. Delegates and members should be able to see and comment on these plans. It isn't enough for management to only consult after the decision has been made to make people redundant or change their job description.

While the PSA is being consulted at the end point when a restructure has already been decided, it doesn't appear that adequate consultation is taking place about changes to work practices as is required under the Conditions Award and affected officers are not having meaningful input to the change in job descriptions. In some instances the jobs are being changed by stealth not by consultation over the job descriptions.

If the PSA is being consulted at the peak level about corporate services reform then it isn't communicating the full story to its delegates and members. This means the union's function appears to be as a bit player in that it only looks at whether 'excess employees' get their entitlements under the managing excess employees policy.

As this is a sector-wide initiative (not just DET/TAFE specific restructuring) the managing excess employees policy does not adequately deal with the needs of affected members. Being given priority assessment for jobs that fit the current skill profile of excess officers (as happens under the current policy) is nearly pointless when those jobs are being shed right across the sector. There is no policy that provides for true retraining for employees who are adversely affected by sector wide restructuring. Given that this is a major premeditated sector wide change with a long lead time, all potentially impacted staff should be given the opportunity to commence long term retraining for jobs whose skills are in demand and be given priority placement to those positions. We understand the PSA is wanting to incorporate the current Managing Excess Employees policy in our award but this will not adequately protect all employees affected by sector wide reforms like corporate and shared services reform.