



13 November 2012

Nikki Kaye
Chair of the Education and Science Select Committee
Parliament Buildings
Wellington

To the Chair,

As a member of the Education and Science Select Committee I request that the committee hold an urgent inquiry into the on-going pay errors being made by the new Novopay teacher payroll system and the Government's handling of these errors.

The Novopay payroll system took responsibility for the payment of New Zealand's 89,000 school teachers and support staff's in August 2012. Over the four pay cycles since then the system has made over 8,000 errors in the payment of staff, causing significant confusion, concern and anger amongst school staff. Errors have occurred in every pay cycle and schools are reporting that significant administration time is being taken up in fixing incorrect salary payments.

I personally have received dozens of letters and emails from angry teachers and school staff who have had their finances impacted by Novopay's continued errors. The administration overheads and time spent dealing with payment issues is putting pressure on school budgets. Our teachers and school staff deserve to know they will be paid each fortnight. The on-going confusion and uncertainty with Novopay is distracting schools and teachers from their focus on teaching and as a result the Government's goals for lifting student achievement are being impacted.

Given the widespread impact of the payroll errors on teachers and the significant cost to the Government of transitioning to the Novopay system (approximately \$26 million) I believe a Select Committee inquiry into the causes and management of these issues is required.

The terms of reference I propose for this inquiry are for the Education and Science Select Committee to:

- Investigate the implementation and transitioning planning carried out by the Government and Talent 2 prior to the launch of Novopay;

- Investigate the total cost to the taxpayer of the implementation and transitioning of the new Novopay payroll system;
- The committee to investigate the total cost to schools and teachers of and time loss of Novopay payroll errors to schools and teachers;
- Investigate the appropriateness of the Government and Talent 2's response to payroll errors committed by Novopay. This should include what action was taken to correct the causes of errors, assistance provided to schools in correcting errors and contract management.
- Call on submissions from teachers, schools and the education sector regarding the impact of payroll errors on learning, school administration and teaching quality;
- Call on Ministry of Education officials, Talent 2 staff and the responsible Ministers to give evidence regarding the planning for the transition and response to payroll errors;
- Agree on what steps the Government should take in future payroll provider transitions to avoid the problems experienced with the Novopay system.

Kind regards,

A handwritten signature in black ink, appearing to read 'N. C. Mahuta', with a stylized flourish at the end.

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