Auditor-General of Queensland

Managing employee unplanned absence

Enhancing public sector accountability

Auditor-General
of Queensland

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QUEENSLAND

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Auditor-General
of Queensland

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The Honourable F Simpson MP
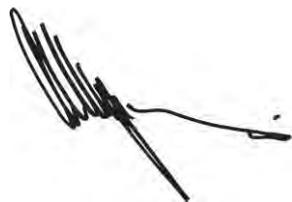Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Madam Speaker

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009,* and is titled
Managing employee unplanned absence.

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in
the Legislative Assembly.

Yours sincerely

Andrew Greaves
Auditor-General

Contents

Summary

Unplanned absence may result from sick leave, the illness or death of close family members, or other reasons such as workplace injury or absence due to industrial disputes or natural disasters.

The Queensland Public Service, in line with all Australian employers, pays its employees for approved unplanned absence up to limits specified in leave directives. In addition to the direct salaries and wages of absent staff, the cost of unplanned absence includes temporary replacement staff, lost productivity and potentially diminished service levels.

In 2006, the Public Service Commission published its *Guide to promoting attendance in the Queensland Public Service*. This sets out processes for the management of attendance and absence.

Employers can manage unplanned absence by:

- establishing a work environment that promotes attendance
- collecting and analysing data to identify anomalous patterns and hotspots
- discouraging non-genuine absenteeism
- setting realistic benchmarks and targets.

Sick leave, typically the largest component of unplanned leave, is most able to be influenced by proactive management. Those leave types less able to be influenced by management action include bereavement leave, emergent and compassionate leave, leave due to natural disasters, industrial disputes, and carer's leave, to provide care and support to members of immediate family or household.

This audit assessed whether public service departments are effectively managing unplanned absence. It reviewed the role of central agencies, and examined more closely the Department of Community Safety and the former Departments of Education and Training, and Public Works.

Conclusions

The annual direct costs of unplanned absence in the Queensland Public Service have risen by 55 per cent, from $328 million in 2006-07 to $509 million in 2010-11. With estimates of indirect costs, such as lost productivity, running at up to three times direct costs, unplanned absence could be costing closer to $2 billion annually.

During the same period, the annual rate of unplanned absence per employee in the public service has increased by 9 per cent, from an average of 8.28 days to 9.02 days. It had been steadily falling before then, from 8.81 days in 2003-04.

While the overall unplanned absence rate remains within award conditions, the significant escalation of cost and the persistent upward trends create a strong imperative to reduce the rates of unplanned absence and therefore reduce costs. Most departments are not actively addressing this imperative. They are not analysing absence patterns to identify whether and where to target management intervention. Consequently, few departments manage unplanned absence effectively or can demonstrate a decrease in their unplanned absence rates.

Key findings

Absence rates and costs

Seventy-eight per cent of unplanned absence is reported as sick leave, and the public service is today, sicker than it was five years ago.

Sick leave, as the greatest contributor to unplanned absence and most able to be controlled, reduced from 7.19 days per employee in 2003-04 to 6.62 days in 2006-07, and then increased to 7.04 days in 2010-11.

Based on 2010-11 costs, a reduction in the average rate of unplanned absence by one day across the public service could save $56 million each year in direct costs, and up to $200 million annually when estimated indirect costs are taken into account.

Rates and trends of unplanned absence vary across departments. Of the nine departments where 2006-07 baseline data was available, only one department reported a subsequent decrease, and four departments reported an increase of more than one day over the five year period to 2011.

Of the three departments examined in detail in this audit, the unplanned absence rate in the Department of Education and Training was 8.09 days, below the 2010-11 public service average of 9.02 days; while the Department of Public Works and the Department of Community Safety were above the average, at 9.79 days and 10.70 days respectively.

The unplanned absence trends over recent years also differ markedly in these three agencies. The rate has not changed significantly in the Department of Education and Training, but has grown steadily higher in the other two departments examined.

No departments identify or attempt to quantify indirect costs such as overtime and relief staff or the impact on staff morale and reduced service delivery, all of which flow from unplanned absence. As a result, the departments do not know the full cost of unplanned absence.

Collecting and analysing data

The Public Service Commission publishes the *State of the Service* report every two years, with the inaugural report tabled in November 2010. There is no narrative of impacts or analysis explaining the decreasing trend in unplanned absence between 2003-04 and 2006-07, or the increasing trend from 2006-07 to 2010-11.

Departments generally do not undertake appropriate analysis of their available unplanned absence data, to identify 'hotspots' where unplanned absence rates are demonstrably higher. They are also not determining the reasons behind those 'hotspots' – for example, whether they are staff with ongoing health issues, disengagement within the workforce, or due to a broader 'entitlement culture'.

By contrast, the Department of Community Safety undertakes detailed analysis in three of its six divisions. The identification of patterns and hotspots, combined with clearly articulated trigger points and practical tools, enables the department to target corrective actions. This has resulted in a decrease in the unplanned absence rate in one division and stabilisation in another.

Managing absence

The Director-General and executive management of each department is responsible for initiating, approving and implementing programs that lead to a safe, healthy and well-attended workplace.

Active management of unplanned absence of employees has been afforded a low priority at executive level, with responsibility delegated to lower levels of management. In two departments reviewed in detail, while divisional or business unit absence rates were recorded, executive management teams did not receive reports on how unplanned absence was being managed, or whether there were underlying or systemic issues.

There are good practice examples of active management of unplanned absence by some divisions or business units, including establishing trigger points for escalating issues identified by data analysis and reporting monthly to management committees. This is more effective where supervisors have access to the results of data analysis and clear guidelines and processes.

While departments compare their unplanned absence rates with the Queensland Public Service rate, they have not identified benchmarks more relevant to their own workforce or operations. In the departments we reviewed in detail, some business units had set targets, but performance against the targets was not analysed, and targets were not reviewed and updated.

The Public Service Commission also has not set sector-wide benchmarks for unplanned absence levels.

Research shows that active monitoring of absence is effective in reducing absence, by demonstrating that managers take the issue seriously and by enabling them to better understand the characteristics and causes of absence.

Research also shows that one cause of absence results from an 'entitlement culture' – the taking of leave not genuinely meeting the entitlement condition (for example, a 'sickie' taken when the employee is not in ill-health). Staff interviewed in the three departments reviewed in detail reported that an 'entitlement culture' was a factor impacting on unplanned absence. It was not evident, however, that this knowledge was acted upon in any meaningful way to ascertain the extent to which such attitudes were pervasive. Passive acceptance, rather than active management, would serve only to reinforce the entitlement mentality should it exist.

Recommendations

1. **It is recommended the Public Service Commission include in its publicly available reports:**
   - **the absenteeism rates and trends for all departments**
   - **the annual direct and estimated indirect costs of absenteeism in the Queensland Public Service**
   - **appropriate comparative benchmarks of the Queensland Public Service absenteeism rates with other jurisdictions and sectors.**

2. **It is recommended that all departments:**
   - **analyse their unplanned absence data to identify patterns and 'hotspots' that require management intervention**
   - **determine the criteria that will trigger management intervention, and how this will be monitored and reported.**

3. **It is recommended that all departments:**
   - **identify relevant benchmarks and establish targets for acceptable levels of unplanned absence**
   - **implement appropriate strategies and practical management tools for improving attendance and achieving acceptable levels of unplanned absence.**

Comments received

In addition to progressive engagement during the course of the audit, in accordance with section 64 of the *Auditor-General Act 2009,* a copy of this report was provided to the Public Service Commission, the Department of Education, Training and Employment, the Department of Housing and Public Works, and the Department of Community Safety, with a request for comments.

Department and agency views have been considered in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report. The full comments received from the departments and agencies are included in Appendix A of this report.

1 Context

1.1 The public service

The Queensland Public Service employed 206 802 full-time equivalent staff at 30 June 2011, in 13 departments and 14 other agencies, compared to 170 320 full-time equivalent staff as at 30 June 2006. Salaries and wages, including on-costs, paid to public service employees totalled $16.82 billion for the 2010-11 financial year.

At December 2011, just over 82 per cent of full-time equivalent staff were employed by five departments comprising: Departments of Communities, Community Safety, Education and Training, Health and Police . The Departments of Health and Education and Training together comprise 65 per cent of the total. By contrast, 13 agencies each employed 500 or fewer staff.

Following the March 2012 State election, machinery of government changes have been made to two of the departments subject to detailed review.

Table 1.1
Departments subject to detailed review

Departments pre-March 2012 election	Departments post-March 2012
Department of Education and Training	Department of Education, Training and Employment
Department of Public Works	Department of Housing and Public Works
Department of Community Safety	Department of Community Safety

Source: QAO

Before the machinery of government changes, the public service consisted of the following agencies.

Table 1.2
Queensland Public Service at 31 December 2011

Agency	FTE at 31 December 2011	FTE % of total public service
Anti-Discrimination Commission	33.60	0.02%
Commission for Children and Young People and Child Guardian	344.96	0.17%
Department of Communities	9 909.96	4.82%
Department of Community Safety	10 943.42	5.32%
Department of Education and Training	65 833.18	32.03%
Electoral Commission Queensland	51.40	0.03%
Department of Employment, Economic Development and Innovation	4 539.22	2.21%
Department of Environment and Resource Management	5 482.45	2.67%
Department of Health	68 761.53	33.45%
Health Quality Complaints Commission	69.90	0.03%
Department of Justice and Attorney-General	4 046.73	1.97%
Legal Aid Queensland	440.23	0.21%
Department of Local Government and Planning	584.58	0.28%
Department of Police	14 502.65	7.06%
Department of the Premier and Cabinet	762.35	0.37%
Public Service Commission	67.90	0.03%
Public Trustee of Queensland	548.51	0.27%
Department of Public Works	7 291.74	3.55%
Queensland Art Gallery	326.61	0.16%
Queensland Audit Office	213.90	0.10%
Queensland Museum	227.14	0.11%
Queensland Water Commission	61.00	0.03%
Shared Services Provider – CAA	66.80	0.03%
State Library of Queensland	258.10	0.13%
Translink Transit Authority	347.83	0.17%
Department of Transport and Main Roads	8 957.25	4.36%
Treasury Department	877.20	0.43%
TOTAL	**205 550.14**	**100.00%**

Source: QAO

Around 60 per cent of staff in the public service are employed under the *Public Service Act 2008*.

1.2 Legislative and policy framework

The *Industrial Relations Act 1999* provides minimum conditions for a range of unplanned absence, including eight days sick leave per annum for employees after completing one year's service, the entitlement to carer's leave to be charged against sick leave, and bereavement leave relating to immediate family of two days.

Leave entitlements for public service employees are set out in numerous industrial awards and agreements which improve on the minimum conditions. In addition to their entitlements to annual, long service, maternity and paternity leave, public service employees are also entitled to take unplanned leave, paid and unpaid, for reasons including personal illness, or the illness or death of a family member. These entitlements have not changed over the last 10 years.

Table 1.3
Major leave categories

Leave type	Entitlement conditions	Most common entitlement
Sick	JAG directive 18/10 – leave of absence on account of illness. Documentation is required for sick leave over three days	10 days p.a. after one year's service
Carer's	*Industrial Relations Act 1999* – leave for employees to give care and support to members of immediate family or household when they are ill or because an unexpected emergency arises	
Workers' compensation	Leave of absence resulting from personal injury or disease sustained out of, or in the course of employment (i.e. work related) and which forms part of an approved workers' compensation claim	Leave as required
Industrial disputes	*Industrial Relations Act 1999* – protected industrial action can be taken under specified circumstances	As part of industrial action
Miscellaneous special	JAG directive 18/09 – special leave that may be taken on various grounds, including unplanned absence due to emergency or compassionate grounds, disasters including floods, cyclones and bushfires and attendance at emergencies	Varies with purpose of leave (a)
Bereavement	JAG directive 12/10 regarding leave on the death of a member of an employee's immediate family or household	Two days

(a) Special leave entitlements – emergency or compassionate (maximum three days p.a.), disasters (five days p.a) and attendance at emergencies (leave required).
Source: QAO

Ten days per annum sick leave is available to 88 per cent of total public service employees covered by eight key awards in the public service. Unused sick leave balances are able to be carried forward and accumulated. They generally are not 'vested' and so lapse when the employee ceases employment.

Table 1.4
Award coverage of Queensland Public Service employees

Award	FTE at 31 December 2011	FTE % of total public service
Queensland Public Service Award – State 2003	55 650	27.07%
Teachers Award – State	39 105	19.02%
District Health Employees Award – State	34 008	16.54%
Queensland Health Nurses and Midwives Award – State 2011	26 022	12.66%
Employees of Queensland Government Departments (Other than Public Servants) Award	13 651	6.64%
Police Service Award – State	10 371	5.05%
District Health Services – Senior Medical Officers and Resident Medical Officers Award – State	6 387	3.11%
Ambulance Service Employees Award – State	3 409	1.66%
TAFE Teachers Award – State	2 543	1.24%
Queensland Fire and Rescue Service Interim Award – State	2 284	1.11%
Sub-Total Top 10	**193 430**	**94.10%**
All other awards	8 779	4.27%
Not covered by awards	3 341	1.63%
TOTAL	**205 550**	**100.00%**

Source: QAO

The wide variety of occupational groups and work conditions within the public service creates different factors impacting on unplanned absence at the divisional and business unit level. Occupational groups include:

- doctors, nurses and midwives
- engineers
- security officers
- clerical workers
- tradespeople
- principals, teachers and teacher aides.

1.3 Roles and responsibilities

Management of unplanned absence involves collecting and analysing the data, monitoring unplanned leave, understanding its causes and taking appropriate action at the organisational and individual level.

Responsibility for the effective management of unplanned absence in the Queensland Public Service is shared between central agencies, agencies' executive and business unit management, and employees.

Table 1.5
Roles and responsibilities for managing unplanned absence

Responsibility for managing unplanned absence	
Department of Justice and Attorney-General	Issues and maintains directives regarding the administration and implementation of the different types of unplanned absence and work life balance policies
	Reviews directives on a cyclical basis
	Provides current information to agencies about workplace health and safety and workers' compensation entitlements and processes.
Public Service Commission	Provides advice and support to the government and the public service to achieve an efficient, effective and high-performing public service
	Develops and implements workforce strategies and policies and provides strategic information and analysis
	Collects payroll data (Minimum Obligatory Human Resource Information – MOHRI) from all public service agencies, including unplanned absence data. It regularly reports high level absence information to stakeholders
	Maintains an analysis tool, the Workforce Analysis Collection Application (WACA), which enables agencies to research their own HR data
	Provides support to agencies for ad hoc reports.
Agency executive management	Leadership and promotion of attendance in the workplace
	Implementation of attendance and leave directives
	Development of strategies and policies on attendance and leave based on the directives
	Fostering an attendance culture to ensure that the agency meets its performance and accountability obligations to government, and continues to provide its services to the public
	Responsible for monitoring the absenteeism of the agency's employees through regular reports.
Divisions and business units	Day to day management of attendance and leave of individuals
	Leave approval
	Monitoring patterns of unplanned leave.
Employees	Responsible for attending work at the expected time as required
	Adhering to set times and rosters
	Contacting supervisor at earliest opportunity when absent from work for whatever reason
	Obligation to ensure that taking leave is for a legitimate purpose, as set out in the Department of Justice and Attorney-General leave directives.

Source: QAO

Guidance and reporting

In 2006, the Public Service Commission published its *Guide to promoting attendance in the Queensland Public Service*. This guide includes:

- a discussion of absence management
- a seven-step process for managing attendance and absence
- strategies for improving attendance.

The commission's objective for issuing the guide was to improve the overall cost-effectiveness and quality of government service delivery by better management of unplanned absence.

The Public Service Commission also collects payroll data (Minimum Obligatory Human Resource Information – MOHRI) from all public service agencies, including unplanned absence data. It regularly reports high level absence information to stakeholders.

It also maintains an analysis tool, the Workforce Analysis Collection Application (WACA), which enables agencies to research their own HR data; and provides support to agencies for ad hoc reports.

Table 1.6
Reports and agency support by the Public Service Commission

Reports and tools	Description	Frequency
State of the Service	A biennial report about the public service workforce, which shows a six-year trend in absence – publicly available	Biennially (inaugural report tabled in November 2010)
Workforce characteristics report	An annual report on the demographic categories and other characteristics of the public service workforce – publicly available	Annually
MOHRI	Data collection developed to ensure government has access to human resource information. The information is used to develop a profile and understanding of the Queensland Public Service, identify various trends and develop and evaluate service-wide human resource policies.	Quarterly
Strategic workforce dashboard	Includes workforce management issues, including absenteeism and workers' compensation claims compared to whole of service average – not publicly available	Quarterly
Workforce Analysis Collection Application	Tool agencies can use to analyse their workforce data, including unplanned absence	As required

Source: QAO

1.4   Structure of the report

This report is structured as follows:

- Section 1 provides the context and background to the report
- Section 2 discusses absence rates and costs.
- Section 3 deals with data collection and analysis.
- Section 4 examines absence management.
- Appendix A contains the responses received.
- Appendix B presents a checklist of strategies and practices.
- Appendix C discusses the audit method.

2 Absence rates and costs

Summary

Background

Research has shown that workplace absence is consistently linked to decreased productivity. Indirect costs of sick leave and other unplanned leave can be up to three times the direct costs.

Conclusion

While the overall unplanned absence rate remains within award conditions, the significant escalation of cost and the persistent upward trends create a strong imperative to reduce the rates of unplanned absence and therefore reduce the costs.

Key findings

After several years of a decreasing trend, unplanned leave in the public service has increased from an average of 8.28 days in 2006-07 to 9.02 days in 2010-11. The direct costs of unplanned absence have increased by 55 per cent during the same period.

Absence rates and trends also vary within and between agencies and business units.

Key recommendations

It is recommended the Public Service Commission include in its publicly available reports, the absenteeism rates and trends for all departments, the annual direct and estimated indirect costs of absenteeism in the Queensland Public Service, and appropriate comparative benchmarks.

2.1   Introduction

Measuring attendance and absence rates is fundamental in the ongoing management of attendance and absence. All departments collect unplanned absence data and report it though the Minimum Obligatory Human Resource Information (MOHRI) system to the Public Service Commission. MOHRI data provides a starting point to ascertain absence rates.

Unplanned absence is an accepted business cost. While direct costs for sick and other absence leave can be readily measured, research reveals that indirect costs can be up to three times the direct costs. Indirect costs include:

- the costs of relief staff
- overtime related to unplanned absence
- retraining costs
- workers' compensation premiums
- QSuper income protection payments.

Additional adverse effects of unplanned absence include:

- delays and interruptions to providing services
- negative effect on staff morale
- decreased productivity.

2.2   Conclusion

Unplanned absence rates have increased by 9 per cent across the Queensland Public Service since 2006, and the direct costs of unplanned absence have increased by 55 per cent during the same period. While the current unplanned absence rate is within the general annual award conditions, the rate has been trending upwards since 2006.

2.3   Unplanned absence rates

The rate of unplanned absence per employee in the public service has increased from an average of 8.28 days in 2006-07 to 9.02 days in 2010-11. Prior to that, the rate per employee decreased from 8.81 days in 2003-04 to 8.28 days. Seventy-eight per cent of unplanned absence is reported as sick leave, which has followed a similar pattern over the last eight years.

Figure 2.1
Service-wide eight year trends in unplanned absence rate per employee

|	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Absenteeism	8.81	8.55	8.65	8.28	8.67	8.76	9.22	9.02
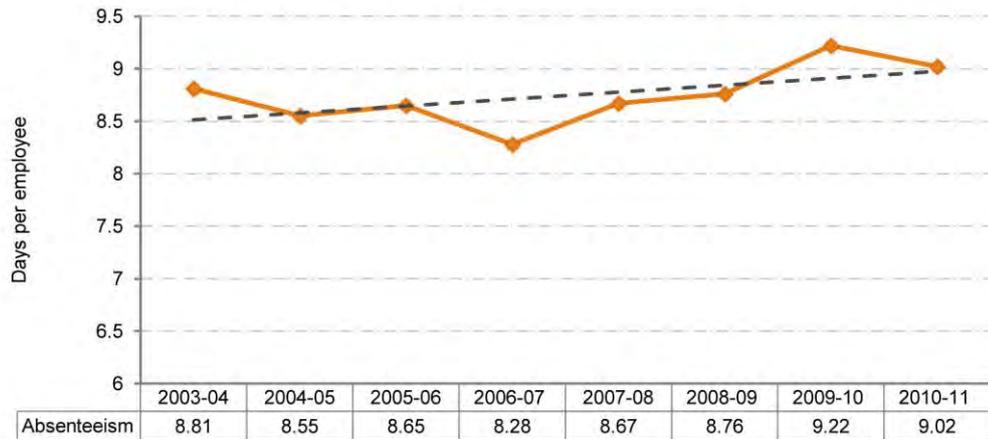
Source: QAO

There is no publicly available report that brings together and compares unplanned absence rates for the public services across Australian jurisdictions. The Australian Public Service (APS) Commission publishes a *State of the Service* report annually. The 2010-11 report presents unscheduled absence data for that year based on the size of the agencies. The median absence rate across the APS in 2010-11 was 11.1 days per employee. Workplace absence in the APS covers five categories: sick leave, carer's leave, compensation leave, types of miscellaneous or other leave, and unauthorised absence.

A 2010 audit by the New South Wales Auditor-General on sick leave reported that the average public sector sick leave per person (FTE) in 2009-10 was 56.90 hours or 8.13 days. By comparison the sick leave rate per person in the Queensland Public Service was 7.04 days for 2010-11. It is difficult, however, to draw any firm conclusions from this data in terms of relative jurisdictional performance, or to make direct comparisons, due to the differences in definitions, award conditions and standard working hours across jurisdictions. For example, the standard working hours per week and sick leave entitlements for the New South Wales Public Sector are different from those for the Queensland Public Service.

Figure 2.2
Departmental absence rates, calendar year 2011
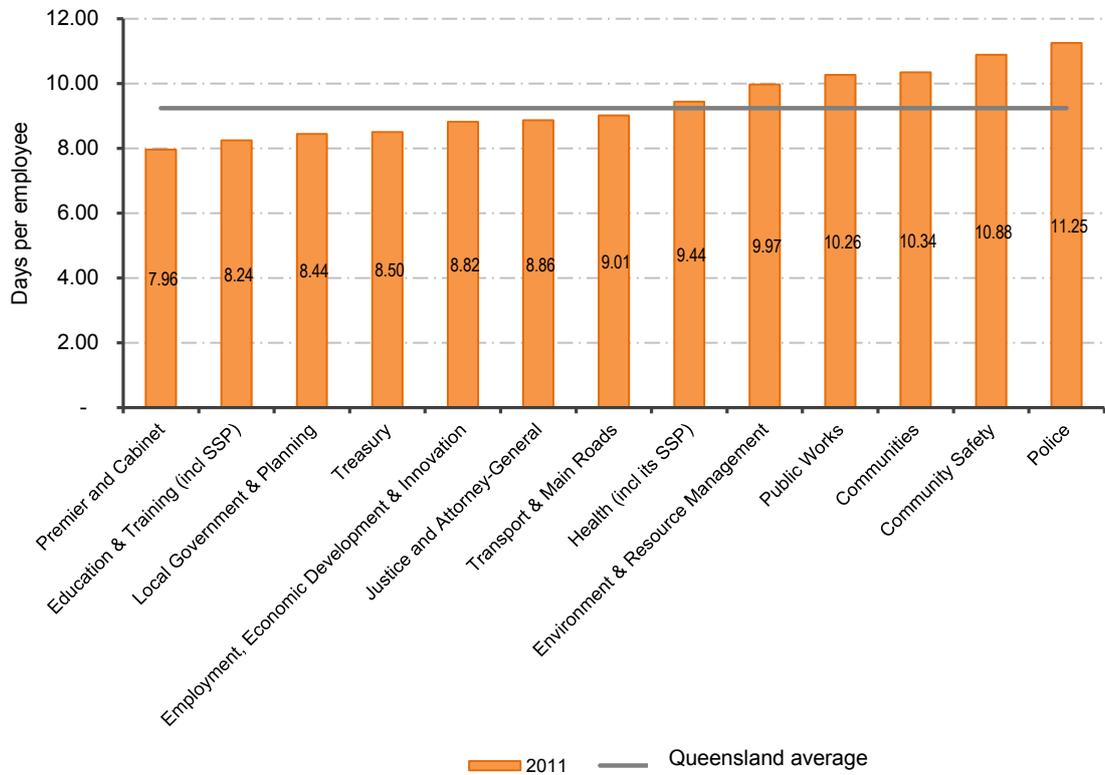
Rates of unplanned absence vary across departments. In 2011 they ranged from 7.96 days to 11.25 days per employee.

Of the agencies examined in this audit, the absence rate in the Department of Education and Training was below the 2010-11 average of 9.02 days, while those in the Department of Public Works and the Department of Community Safety were above the average.

The unplanned absence trends over recent years also differ markedly in these three departments. The rate has not changed significantly in the Department of Education and Training, but has grown steadily higher in the other two agencies examined.

Table 2.1
Change in unplanned absence rate from 2006-07 to 2010-11

Department	Proportion of public service FTE 2011	2006-07 rate (average days p.a.)	2010-11 rate (average days p.a.)	Variance
Treasury Department	0.43%	9.24	8.98	Decrease 0.26 day (2.8%)
Department of Education and Training	32.03%	7.76	8.09	Increase 0.33 day (4.3%)
Department of Health	33.45%	8.57	9.15	Increase 0.58 day (6.8%)
Department of Police	7.06%	10.42	11.17	Increase 0.75 day (7.2%)
Department of Community Safety	5.32%	9.60	10.70	Increase 1.10 days (11.5%)
Department of Transport and Main Roads	4.36%	8.16	9.11	Increase 0.95 day (11.6%)
Department of Public Works	3.55%	8.28	9.79	Increase 1.51 days (18.2%)
Department of Environment and Resource Management	2.67%	7.65	9.52	Increase 1.87 days (24.4%)
Department of the Premier and Cabinet	0.37%	4.65	7.64	Increase 2.99 days (64.3%)

Source: Developed from data provided by the Public Service Commission who advised that no 2006-07 data were available for the former Department of Local Government and Planning, the Department of Justice and Attorney-General, the former Department of Employment, Economic Development and Innovation and the former Department of Communities due to machinery of government changes

The average rate of unplanned absence can also vary significantly between divisions and business units within agencies. In the Department of Community Safety from 2006-07 to 2010-11, the average full-time days per employee of unplanned absence in Queensland Corrective Services increased from 11.79 days to 14.86 days (26 per cent), while in the Queensland Ambulance Service, there was a decrease from 12.48 days to 11.84 days (-5 per cent).

Figure 2.3
Average full-time days per employee, DCS divisions
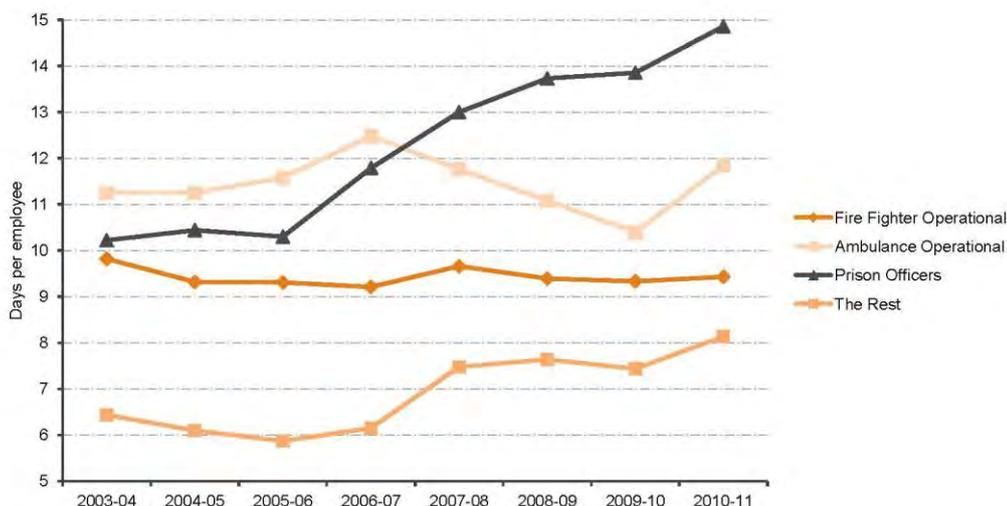
Source: QAO

The *Queensland Public Service Workforce Profile – Sick Leave Report 2011* prepared by the Public Service Commission showed that:

- male employees have taken on average more sick leave than females
- sick leave increases with age
- historically sick leave increases with length of service; however, in the last 12 months:
    - employees with less than five years tenure have increased their sick leave since 2006-07
    - employees with tenure between five and 10 years and 10 and 20 years have similar sick leave
- higher paid employees take less sick leave than lower paid employees
- employees in far north and western parts of the State took less sick leave than those in the rest of the State, with employees in south-east Queensland taking the most.

There was no overall data to determine the concentration of leave or its distribution across the public service workforce. A 1997 audit by the Western Australian Auditor-General (Report No 5 of 1997) found that around one per cent of the public service workforce in that state accounted for 15 per cent of sick leave, while about one-third of all employees recorded no sick leave. The Queensland Public Service Commission has the available data to undertake similar analysis.

Table 2.2
Absence rate by leave category

Leave type	2006-07 average days p.a. *	2010-11 average days p.a. *	Increase
Sick	6.62	7.04	0.42 day (6.3%)
Carer's	0.80	0.98	0.18 day (22.5%)
Workers' compensation	0.51	0.61	0.1 day (19.6%)
Industrial disputes	0.0	0.0	0.0
Miscellaneous special	0.30	0.35	0.05 day (16.7%)
Bereavement	Included in special leave above		
Total absenteeism	**8.28**	**9.02**	**0.74 day (8.9%)**

* Source: Developed from data provided by the Public Service Commission who advised that any difference in total absenteeism figure is due to rounding.

2.4   Cost of absence

In 2010-11, direct costs of unplanned absence for the public service were reported as $508.8 million, of which $397.6 million (78 per cent) was for sick leave.

The cost of unplanned absence is increasing more than can be attributable just to wage increases and the growth in staff numbers.

The public service workforce has risen from 179 872 in 2006-07 to 206 802 full-time equivalents in 2010-11, an increase of 15 per cent.

During the same period, the direct costs of unplanned absence have risen from $328 million to $509 million, an increase of 55 per cent.

The Public Service Commission *Guide to promoting attendance in the Queensland Public Service* suggests a balanced approach to measuring the impact of absence and provides suggestions as to how to measure both direct and indirect costs. Research indicates that indirect costs can be three times higher than the direct costs.

2.5   Recommendations

1. **It is recommended the Public Service Commission include in its publicly available reports:**

    ● **the absenteeism rates and trends for all departments**
    ● **the annual direct and estimated indirect costs of absenteeism in the Queensland Public Service**
    ● **appropriate comparative benchmarks of the Queensland Public Service absenteeism rates with other jurisdictions and sectors.**

3   Collecting and analysing data

Summary

Background

A sound understanding of relevant data on unplanned absence will support the correct diagnosis of a department's situation and assist in targeting strategies to promote attendance and/or address absence.

Conclusion

Departments are not undertaking appropriate analysis of absence patterns and identifying 'hot spots' at unit or agency level, or of the absence behaviour of individual employees. Therefore they are unable to correctly assess whether there is a problem with absenteeism within their department, or prioritise their strategies, plans and actions to effectively and efficiently manage the unplanned absence of employees.

Key findings

The data currently collected at whole of sector and agency levels is not being used effectively, to identify absence trends, distribution patterns across demographics and business units, and patterns in the timing and frequency of absence.

Only the Department of Community Safety undertakes detailed analysis in three of its six divisions. The identification of patterns and hotspots, combined with clearly articulated trigger points, enables the department to target corrective actions.

Key recommendations

It is recommended all departments analyse their unplanned absence data to identify patterns and hotspots, determine the trigger points for management intervention and establish how these actions will be monitored and reported.

3.1 Introduction

Effective management of unplanned absence requires collection and analysis of data at sector-wide, departmental and business unit levels. This chapter examines whether departments and the Public Service Commission collect sufficient data and conduct appropriate analysis of the data to inform decisions to effectively manage unplanned absence of employees.

Managers need information at an individual level, but also an overview of how teams and business units compare. Such information provides an essential indicator of how problems may vary across the organisation.

All departments collect unplanned absence data and report it though the Minimum Obligatory Human Resource Information (MOHRI) system to the Public Service Commission. The standard MOHRI data subsets include age, sex, location, tenure and occupation. These data subsets allow access to reliable workforce information, and provide different views of unplanned absence to inform management actions.

3.2 Conclusion

Departments are not undertaking appropriate analysis of absence patterns and identifying 'hot spots' at unit or agency level, or of the absence behaviour of individual employees. This lack of analysis means that agencies cannot correctly assess whether there is a problem with absenteeism within their agency, or prioritise their strategies, plans and actions to effectively and efficiently manage employee unplanned absence.

The Public Service Commission emphasises the need for data collection and analysis. The Workforce Analysis Collection Application (WACA) is not being used to full advantage by agencies.

3.3 Data analysis

The *Guide to promoting attendance in the Queensland Public Service* states: "*A sound understanding of the data will support correct diagnosis of the agency's situation and assist in the targeting of strategies to promote attendance and/or address absence.*"

The unique workforce profile of each agency determines the specific analysis that each agency would need to create an accurate picture of its absenteeism situation.

Ten of 13 departments do not undertake substantial analysis of unplanned absence data, including the ability to:

- identify patterns of unplanned absence
- identify hotspots where excessive leave taking is occurring
- examine possible correlations with other Human Resources interventions (e.g. accessing employee assistance programs), excess annual leave balances, shift conditions, private and public events or holidays etc.

Reasons for hotspots could include:

- individual employees with ongoing health issues
- systemic problems within the workplace (e.g. workload pressure, job design, bullying)
- a broader 'entitlement culture'.

The Workforce Analysis Collection Application (WACA) includes functionality for in-depth analysis of agencies' MOHRI data, but is not being used by the majority of departments as it requires labour-intensive interventions to produce agency-wide reports. Twenty-nine WACA user licences have been issued across the public service. Most departments and agencies have one licence each.

Good practice

Of the three departments subject to detailed review, the Department of Community Safety is the only department that undertakes detailed analysis of unplanned absence data, in three of six divisions: Queensland Ambulance Service, Queensland Corrective Services and Queensland Fire and Rescue Service. Management in all three divisions identifies patterns and hotspots at the unit and individual employee level.

Queensland Ambulance Service has decreased and steadied its absence rates since a high in 2006-07. Queensland Fire and Rescue Service has stabilised its absence rate in the same period.

Queensland Ambulance Service analyses data at the station level on a monthly basis. It uses the *Bradford Factor Score System* to help identify staff whose sickness or absenteeism requires reviewing. The score is calculated by identifying absence over a period (often a year, but could be any time period) and counting the number of sickness days, and the number of sickness episodes (a consecutive period of sickness).

Queensland Ambulance Service considers that the Bradford factor:

- is a benchmark
- is impartial
- allows comparison
- discourages uncertified absenteeism
- enables tracking over time.

Using the *Bradford Factor Score System*, Queensland Ambulance Service stations identify the length and frequency of unplanned absence and come up with a score in a rolling 12-month period.

Scores trigger specific actions:

- low scores get looked at in terms of individual circumstances
- medium scores result in interviews
- high scores initiate Performance Improvement Plans.

Queensland Ambulance Service has determined leave and attendance patterns and associated triggers that would initiate a review and/or discussions with employees.

Table 3.1
Queensland Ambulance Service – Better practice examples of leave and attendance patterns, and associated triggers

Excessive leave/attendance or patterns	Triggers	Supervisor/management strategies
Amount of sick leave taken over a specified period appears to be excessive.	• Amount of sick leave taken equals or exceeds 80 hours or the annual accrual. • Amount of sick leave taken over any period exceeds the rate of accrual and the trend would indicate that the annual accrual will be exceeded.	Establish whether there are external factors affecting the rate of sick leave being taken. Establish whether there are any serious or long-term illnesses.
Excessive number of overtime shifts being consistently worked over specified periods.	Excessive overtime shifts (cumulative) over periods of 4, 6 and 8 weeks.	Establish whether equity in rostering is being applied. Look at management of individuals.
Sick and carer's leave being regularly taken when rostered on weekends or public holidays.	Two instances in any two month period.	Initial interview with employee.
Sick and carer's leave is noticeably higher in a particular station or workplace than others in the same area.	15% variance on the area average.	Senior management to review with supervisor. Matter to be monitored by Regional Absenteeism Management Committee.
Uncertificated sick leave is excessive compared with certificated leave.	>80% of sick leave taken is uncertificated.	Initial interview with employee.

Source: Department of Community Safety

Queensland Fire and Rescue Service analyses data at the station level on a quarterly basis. It uses triggers for corrective action which are based on data analysis and personal knowledge of the station officers.

Both Queensland Ambulance Service and Queensland Fire and Rescue Service escalate unplanned absence data to Regional Absenteeism Management Committees.

The analysis of unplanned absence data has enabled them to:

- identify patterns, hotspots and trends
- target management intervention and strategies
- decrease or stabilise absence rates since 2005-06.

Responsibility for absence management is reviewed at these divisions through the Operations Performance Review process.

Queensland Corrective Services do not conduct the same level of detailed analysis as Queensland Ambulance Service, or Queensland Fire and Rescue Service. Their absence rate has continued to increase since 2003-04.

Queensland Corrective Services do limited analysis on unplanned absence data on a quarterly basis at each of the custodial correctional centres and probation and parole centres. Management at individual correctional centres review the data and inform Head Office when individual employees exceed annual limits. Beyond this reporting of individuals, Queensland Corrective Services unplanned absence data does not get escalated for more strategic action.

3.4   Recommendations

2.   It is recommended all departments:

- **analyse their unplanned absence data to identify patterns and 'hotspots' that require management intervention**
- **determine the criteria that will trigger management intervention, and how this will be monitored and reported.**

4 Managing absence

Summary

Background

Commitment at all levels of the public service is necessary to ensure effective management of unplanned absence.

Departments need benchmarks and targets to measure their performance in managing unplanned absence.

Conclusion

Departments do not give consistent and appropriate priority to managing unplanned absence.

The current benchmarking undertaken by agencies – a simple comparison of their unplanned absence rate against the Queensland Public Service rate – does not provide them with sufficient information to measure their performance.

Key findings

Agency executive management has delegated responsibility for the management of unplanned absence to lower management levels, but there is inconsistency in how this is managed, both within and across agencies.

The three departments subject to detailed review benchmark themselves against the Queensland Public Service absence rate. Internal benchmarking and target setting are undertaken to varying degrees. No benchmarking is undertaken with other jurisdictions although Smart Services Queensland benchmark against similar call centres external to the Queensland Public Service. Only the Education division of the Department of Education and Training has set an absence target likely to lead to improvement.

Key recommendations

It is recommended all departments identify relevant benchmarks and establish targets for unplanned absence at appropriate levels or occupational groups, and implement appropriate strategies and practical management tools for improving attendance.

4.1　Introduction

The ongoing management of attendance and absence requires commitment from executive and divisional, or business unit, management.

This chapter focuses on three of the seven steps to managing attendance and absence from the Public Service Commission *Guide to promoting attendance in the Queensland Public Service*:

- establish acceptable attendance and absence rates
- establish ownership of attendance and absence issues
- develop and implement strategies for improving attendance.

4.2　Conclusion

Departments have not determined what constitutes acceptable attendance and absence rates for their own operations. The current benchmarking undertaken by departments – a simple comparison of their absence rate against the Queensland Public Service rate – does not provide them with sufficient information to assess their performance.

Management of unplanned absence is delegated to lower levels of management but there are no formal channels for reporting back to executive management.

The Public Service Commission can influence the performance measures contained in the performance agreements for accountable officers, including measures relating to the management of unplanned absence of employees in their agencies.

4.3　Establish acceptable rates

The *Guide to promoting attendance in the Queensland Public Service* recommends establishing acceptable attendance and absence rates which are unique to each agency.

The only benchmarking that departments perform is comparing their own overall absence rate with the Queensland Public Service rate and with other Queensland agencies. No benchmarking is undertaken with other jurisdictions.

The Public Service Commission guide lists five other possible benchmarks for unplanned absence:

- internal benchmarks, such as between divisions or groups within the agency
- individual Queensland public sector agencies that have similar functions or work organisation
- counterpart agencies in other Australian State or Federal public sectors
- comparable organisations in the private sector
- organisations that your agency would like to model.

Internal benchmarking and target-setting are undertaken to varying extents, for example, some record internal benchmarks, but do not necessarily set targets. See Table 4.1 for further comparison.

Table 4.1
Benchmarks and targets

Agency	Whole of agency		Divisional/unit level	
	Benchmarks with the QPS and other Queensland agencies	Sets agency target	Benchmarks with divisions or groups within the agency	Sets targets at divisional or unit level
Department of Community Safety	Yes	No	Yes	No
Department of Education and Training	Yes	No	- Education division - TAFE division	- Education division
Department of Public Works	Yes	No	- QBuild - Queensland Shared Services	- Smart Service Queensland - QBuild - Queensland Shared Services

Source: QAO

The Department of Education and Training benchmarks schools against similar schools, and TAFEs against other TAFEs. The Education division has set an absence target, but the Training division has not.

The divisions in the Department of Public Works report their monthly absence rates to the Human Resources Committee. QBuild and Queensland Shared Services set targets in 2010-11 of 9.84 days and 12.46 days respectively, on an FTE basis. QBuild's actual unplanned absence rate exceeded the target at 10.07, while Queensland Shared Services' actual rate for 2010-11 was under the target at 12.37. No targets were set for 2011-12.

Smart Service Queensland benchmarks itself against other call centres in other jurisdictions, as there are no similar agencies within the Queensland Public Service. Smart Service Queensland uses the rate of absence of the previous year as its target. This result, however, was 12.46 days per employee, which is above the service-wide rate of 9.02, and above the entitlement rate of 10 days per employee per year.

The Department of Public Works has identified an increasing trend in unplanned absence rates. As a result it initiated a Workforce Attendance Strategy and Action Plan 2011-13, which commenced during the third quarter of 2011. The full impact of the strategy will not be evident for at least 12 months after implementation.

4.4   Ownership

Executive management is responsible for initiating, approving and implementing the programs that lead to a safe, healthy and well-attended workplace.

The Direct Health Solutions (DHS) *2011 Absenteeism Management Survey* states that – "*the management of the organisation set the rules of engagement when it comes to managing absence, and effective management will create a culture of attendance, not a culture of entitlement. Management are responsible for creating the conditions to eliminate a 'sickie' culture and to support employees who are genuinely unwell.*"

Management of unplanned absence of employees has a low priority at whole of agency executive level, with responsibility delegated to lower levels of management. There are no documented channels for reporting back to executive management. This reduces executive management's ability to hold senior management accountable for the actions being taken to reduce the level of unplanned absence.

In the detailed review departments, the information supplied to executive management to inform their strategies and plans for managing unplanned absence varied, as shown in Table 4.2.

Table 4.2
Information supplied to executive management

Agency	Executive management agenda item?	Information available
Department of Community Safety	Yes, absence management information is a standing agenda item at monthly executive management meetings	Has a whole of department absenteeism management policy
Department of Education and Training	No, absence management information is not a standing agenda item at executive management meetings	Reports absence information annually
Department of Public Works	Yes, absence management information is a standing agenda item at monthly executive management meetings	Reports monthly unplanned absence levels from business units to the executive Has undertaken a review specific to unplanned absence

Source: QAO

An 'entitlement culture' can be the result of a number of factors. Employees may take leave because they feel 'entitled' to the full annual allowance, regardless of whether they have a genuine reason for the leave. Management can inadvertently foster this culture by failing to intervene in its early stages. An 'entitlement culture' needs to be addressed at all levels in every agency, including at the individual employee level.

4.5   Strategies for improving attendance

The Public Service Commission *Guide to promoting attendance in the Queensland Public Service* provides suggested strategies, based on better practice, to promote attendance and address absence.

Key strategies include:

- providing safe and healthy workplaces
- having an organisational culture that supports work/life balance
- policies and practices that are consistently applied, flexible and widely communicated
- managers and supervisors with skills necessary to manage their workforce confidently
- a culture that fosters attendance.

A checklist of strategies and practices has been reproduced at Appendix B.

An agency policy on attendance can provide a clear statement of objectives and principles by which attendance will be promoted and unplanned absence managed. Proper guidance and resources can assist managers and supervisors to understand their roles, responsibilities and organisational expectations, and take action as required.

At an agency-wide level, the Department of Community Safety has produced a workforce performance guide for supervisors, to assist them in dealing with a range of employee issues, including absenteeism. Queensland Corrective Services, Queensland Ambulance Service and Queensland Fire and Rescue Service have also developed practical tools to assist supervisors in managing employees with high levels of absenteeism.

Case study 4A

Queensland Fire and Rescue Service

The Queensland Fire and Rescue Service aims to reduce unsubstantiated sick leave. Unplanned absence data is monitored quarterly by the regional Absenteeism Management Committee. Managers are required to adopt a proactive role by following a documented process. This process is supported by a toolkit which includes interview sheets and checklists. The process steps are documented from the business rule below.

Business Rule ('How To Do It Guide'): Manage Absenteeism

How I Do It – a 6 step process:

1. Increase awareness and monitor unplanned absence – communicate policies and procedures; monitor absenteeism.

2. Initial interview with employee – establish accuracy of attendance data; address unsatisfactory issues.

3. Satisfactory/causal reasons for sick leave absence – determine absence reasons satisfactory; offer support; follow-up action.

4. Unsatisfactory reasons for sick leave – address causal factors; refer interviewee to access support; set performance expectations; review.

5. No improvement in attendance – secondary co-facilitated interview; reinforcement of performance expectations; commitment to change.

6. Performance and discipline procedures.

Following the introduction of this QFRS Business Rule, the number of identified officers for interview in Step 2 fell in a single region from 75 officers in 2004-05 to 25 officers in 2007-08. The overall QFRS operations staff average hours of sick leave taken per person dropped from 75 hours in 2004-05 to 67 hours in 2008-09.

Source: QAO

Smart Service Queensland within the Department of Public Works has procedures in place for managing unplanned absence, including guides and templates for supervisors dealing with employees identified as having high levels of absenteeism.

Smart Service Queensland and the Security unit of QBuild both have a system where staff calling in sick must talk to their supervisor, and these conversations are documented. This system also operates as 'early intervention', enabling supervisors to identify potential ongoing problems, both genuine and non-genuine (e.g. an employee who is taking sick leave due to ongoing personal stress, or an employee taking leave out of a sense of entitlement).

The following case study highlights the positive results from implementing strategies to move from a culture of 'illness' to 'wellness'.

Case study 4B

Good practice – Driver and Vehicle Licensing Agency, Swansea, Wales
In 2005, average working days lost at the Driver and Vehicle Licensing Agency (DVLA) reached 14 days per person, at an annual cost of £10.3 million. In response, a strategy was developed to move from a culture of 'illness' to one of 'wellness'. The strategy began with getting the basics right by: • developing more detailed management information to target specific issues and identify 'hotspots' • reviewing policies and procedures with guides and 'top tips' to support staff and managers • introducing more robust management of long-term cases, including earlier referral, keeping in touch during absence, and proactive rehabilitation, including adjustments and phased return to work • improving the capability of line managers by developing and delivering a new training course that subsequently won a National Training (Wales) Award • introducing corporate objectives on attendance for staff and managers. DVLA now has more than 200 additional staff at work each day compared to 2005, and improvements have been recorded in both accuracy and customer service targets. DVLA has also recorded consistent increases in levels of staff engagement. By March 2011, sickness had almost halved to an average of 7.1 days per person, and more than £5 million per annum had been saved in absence-related costs.

Source: Health at Work – an independent review of sickness absence. Black & Frost, November 2011 (Secretary of State for Work and Pensions) page 59

4.6   Recommendations

3. It is recommended all departments:

- identify relevant benchmarks and establish targets for acceptable levels of unplanned absence
- implement appropriate strategies and practical management tools for improving attendance and achieving acceptable levels of unplanned absence.

Appendices

Appendix A

Auditor-General Act 2009 (Section 64) – Submissions and comments received

Introduction

In accordance with section 64 of the *Auditor-General Act 2009* a copy of this report was provided to the Department of Community Safety, the Department of Education, Training and Employment, the Department of Housing and Public Works and the Public Service Commission with a request for comments.

Responsibility for the accuracy, fairness and balance of the comments rests with the head of each agency.

Submissions and comments received

Response provided by the Acting Commission Chief Executive, Public Service Commission on 6 June 2012.

Queensland Government

Public Service Commission

Please quote: DOC/12/102953/TB/WP

Mr Andrew Greaves
Auditor-General
Auditor-General of Queensland
PO Box 15396
CITY EAST   Qld   4002

Dear Mr Greaves *Andrew .*

Performance audit on management of unplanned absence

Thank you for your letter dated 14 May 2012 regarding your proposed report on the performance audit on the management of unplanned absence. Thank you also for providing a summary of your consideration of, and responses to, the issues I raised (letter of 10 May 2012) in relation to the preliminary draft report.

I wish to affirm that the Public Service Commission welcomes audits on critical organisational and workforce management issues for the Queensland public service, and confirm our commitment to driving and supporting the Government's objectives, particularly in regard to restoring accountability in Government.

I have reviewed the proposed report and provided responses to each of the three recommendations relating to the Public Service Commission in the attached table.

I believe the report's recommendations in relation to chief executives monitoring absenteeism and implementing proactive management strategies, particularly in identified 'hot spot' areas, will result in better management of unplanned absences and reduced cost to government.

I will work towards implementing the report's recommendations for the Public Service Commission in relation to increased reporting of unplanned absences, but in doing so wish to make the following comments in relation to recommendations number two and three.

You have recommended that the Public Service Commission make publicly available the annual direct and estimated indirect costs of absenteeism in the Queensland public service. The Public Service Commission agrees with this recommendation and will include this data in its yearly workforce statistics report.

You have also recommended that the Public Service Commission publishes appropriate comparative benchmarks of the Queensland public service absenteeism rates with other jurisdictions and sectors.

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ABN 73 289 606 743

Submissions and comments received

Response provided by the Acting Commission Chief Executive, Public Service Commission on 6 June 2012.

Some benchmarking information is available from other jurisdictions such as Victoria and the Australian Public Service. However, the Public Service Commission will need to more fully explore the information that is available in other jurisdictions, as well as determine appropriate measures to ensure we are comparing 'like' with 'like'. For example, the Victorian public service excludes teachers, nurses and police. These are included in the Queensland public service and so comparisons would be skewed unless some agreed adjustment is made. I note that in line with my comments, the proposed report makes reference to the New South Wales Auditor-General's report on sick leave in 2010 at page 14 and notes that comparisons are difficult due to the differences in definitions, award conditions and standard working hours across jurisdictions. The New South Wales Auditor-General's report on sick leave also notes at page 6, that sick leave rates were not publicly available for a number of jurisdictions. In advising a timeframe for implementing this recommendation, I have taken account of the level of consultation that will be required.

Turning to the body of the report, I note that you have amended the key findings on page 3 in response to my comments. However, the amendment doesn't reflect my comment that I believe it noteworthy, that sick leave, as the most significant component of unplanned absence has reduced as a proportion of overall unplanned absence between 2003-04 and 2010-11. Other leave, such as carers' leave, to care for family members, has increased.

I would like to thank you once again for the opportunity to review the proposed report and to provide comment. I sincerely look forward to working with departments and agencies to improve their organisational and workforce performance in managing unplanned absences.

Should you wish to discuss any of these matters further, please contact me directly on telephone (07) 340 67914 or email brett.heyward@psc.qld.gov.au.

Yours sincerely
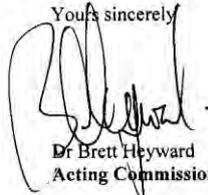
Dr Brett Heyward
Acting Commission Chief Executive

Enclosed: *Table – Public Service Commission response to recommendations*

2

Submissions and comments received

Response provided by the Director-General, Department of Education and Training on 4 June 2012.

![Queensland Government logo]

Department of
Education and Training

4 JUN 2012

Mr Andrew Greaves
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Dear Andrew

Thank you for your letter received 14 May 2012 accompanying the proposed report on the Performance Audit of the Management of Unplanned Absence.

The proposed report discusses the audit findings in more general terms than in earlier drafts, and has a series of recommendations for further actions by my Department.

Please find enclosed my Department's template response to the proposed report.

A general response to the proposed report is that, while there is ongoing monitoring and reporting of unplanned absence, further could be done in taking action so that the Department's unplanned absence rate improves.

Should you wish to discuss my Department's response, I invite you to contact Mr Reg Burns, Director, Workforce Modelling by at email at reg.burns@deta.qld.gov.au or on telephone 3239 0224.

I appreciate the opportunity to provide comment on the proposed report.

Yours sincerely
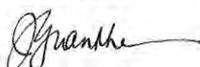
Julie Grantham
Director-General

Ref: 12/190717
Your Ref: 2012-9093P

Enc

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Submissions and comments received

Response provided by the Director-General, Department of Education and Training on 4 June 2012.

Proposed report no. 4 for 2012 – Managing unplanned absence of employees

Department of Education, Training and Employment - response to recommendations

It is recommended that the Department of Education, Training and Employment:

No.	Recommendations	Response	Timeframe for Implementation	Additional Comments
1.	analyse their unplanned absence data to identify patterns and "hotspots" that require management intervention	A	January 2013	While DETE has informed the Audit by providing evidence of trend analysis and ongoing reporting of unplanned absence data, it is accepted that more can be done in determining areas of concern and in ensuring that managers take action and report back. DETE will refine its analysis of the relevant data to focus on areas requiring attention and will more proactively bring these analyses to the attention of the relevant managers.
2.	determine the criteria that will trigger management intervention, and how this will be monitored and reported	P	January 2013	Current trend analysis and reporting of unplanned absence will be reviewed and criteria to trigger management intervention will be developed. Acceptable trigger points and at what level of management to be reported to will be determined.
3.	identify relevant benchmarks and establish targets for acceptable levels of unplanned absence	P	January 2013	On pages 24 and 26 of the Proposed Report, it is acknowledged that DETE already has targets and benchmarks in

Trim: 12/190730

Submissions and comments received

Response provided by the Director-General, Department of Education and Training on 4 June 2012.

4.	implement appropriate strategies and practical management tools for improving attendance and achieving acceptable levels of unplanned absence	P	January 2013	both education and training areas. DETE welcomes this acknowledgement of the current use of benchmarks and targets. DETE will explorer what constitutes an 'acceptable' level of unplanned absence and incorporate into the reporting of unplanned absence data to managers. The range of departmental policies and support programs that address staff wellbeing and attendance were appropriately noted in earlier drafts of this Report. DETE is confident that these strategies are appropriate to fostering a culture of attendance and have contributed to DETE remaining below the public service rate of days lost due to absence, and having the lowest rate of the unplanned absences of the three departments examined in detail in the Audit. However DETE will further consider the notion of what are acceptable levels of unplanned absence and develop or adjust benchmarks and targets and apply accordingly.

* Response

A—Agency agrees with recommendation

Submissions and comments received

Response provided by the Director-General, Department of Education and Training on 4 June 2012.

Trim: 12/190730

D – Agency disagrees with recommendation
P – Agency partly agrees with recommendation

Submissions and comments received

Response provided by the Director-General, Department of Community Safety on 1 June 2012.

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OFFICE

Queensland Government

Office of the
Director-General

Department of
Community Safety

File No: SPD/00141
Ref No: 04140-2012
Your Ref: 2012-9093P

3 1 MAY 2012

Mr Andrew Greaves
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST   QLD   4002

Dear Mr Greaves

Thank you for your letter of 14 May 2012, regarding the proposed report to Parliament on the Performance Audit on Management of Unplanned Absence.

I would like to thank you for the opportunity to respond to your audit report and recommendations. Since the commencement of the audit in October 2011, the Department of Community Safety (DCS) has worked closely with members of the audit team to ensure comprehensive and accurate information has been provided to inform the report.

The DCS takes seriously the need for a high performance work culture, especially within the critical corrective and emergency services roles of this department. Instrumental in achieving this culture is the effective management of employee attendance.

The report clearly highlights the challenges faced by all Queensland public sector departments, and most employers, in managing unplanned absence. It is recognised that the ability for employers to support unplanned absence of employees plays an important role in ensuring a committed and productive workforce and that it is equally important to ensure appropriate mechanisms are in place to proactively manage and influence the appropriate use of such leave.

I note that DCS has a higher per person unplanned absence rate than the Queensland public sector average and that the departmental rate since 2006/07 has been increasing at a rate similar to most other agencies.

Whilst these patterns are concerning to the department, it is important to note, as highlighted in the report, that benchmarking within the Queensland public sector alone is not sufficient to assess and determine appropriate levels of unplanned absence.

…/2

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ABN 19 823 962 345

Submissions and comments received

Response provided by the Director-General, Department of Community Safety on 1 June 2012.

- 2 -

The DCS, unlike most other Queensland public sector departments, has 80.3% of its workforce as frontline services. A majority of these frontline service employees undertake shift work spanning 24 hours a day, seven days a week and have access to differing sick leave entitlements to public servants. These differences impact on unplanned absence rates and create unique challenges to employers like DCS, particularly given the nature of the work undertaken within the department.

I am pleased to note that the audit found that a number of current practices within DCS constitute good practice, notably:
- the department undertakes detailed analysis of patterns and "hot spots" within three of our divisions, covering the majority of the workforce; and
- the Queensland Ambulance Service and the Queensland Fire and Rescue Service undertake practices to actively manage unplanned absences including trigger identification and management strategies.

In addition to the practices highlighted in the report, I would like to note other activities that DCS is undertaking, including:
- the provision of data and associated data dictionary to work units to assist in the management of unplanned absences at a local level;
- that the Queensland Ambulance Service has significantly reduced its WorkCover premium for 2011-12 through early identification, response and decision-making processes for both short and long-term injury and absence cases;
- fatigue management projects being undertaken by the Queensland Ambulance Service and Emergency Management Queensland; and
- the department's better practice initiatives to improve staff wellbeing and attendance in relation to safe workplaces, work life balance, workplace immunisation, flexible working arrangements, staff complaints policies, healthy lifestyle programmes, return to work programs and the employees assistance services that are available.

In response to the recommendations, I note that the first recommendation relates to the Public Service Commission; however the department is supportive of this recommendation as the additional information proposed would benefit all departments.

In relation to Recommendation 2, DCS has already implemented this recommendation, within two of its four operational divisions, namely Queensland Fire and Rescue Service and Queensland Ambulance Service.

The department is working towards replacing its current human resource information system to integrate with other sources of data and information to enhance its analysis and reporting capability. The department is committed to looking at ways in which the current reporting, measuring and analysis can be improved and applying this work across the entire department.

In relation to Recommendation 3, DCS has implemented appropriate strategies and practical management tools within some divisions that have had a positive impact on unplanned absences. The department is committed to using this experience to improve strategies and tools across the entire department which will seek to include benchmarks and targets.

.../3

Submissions and comments received

Response provided by the Director-General, Department of Community Safety on 1 June 2012.

- 3 -

In closing, all of the recommendations relating to Queensland public sector departments are accepted by DCS. I am confident the scope of work already undertaken when expanded across the department will assist to further focus and enhance the appropriate management of unplanned absence within the department.

Should you require further information, please contact Ms Christine Axelby, Director, HR Services Unit, Human Resources Branch, on telephone number (07) 3635 3234.

Yours sincerely

Kelvin Anderson PSM
Director-General

Submissions and comments received

Response provided by the Director-General, Department of Housing and Public Works on 1 June 2012.

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– 1 JUN 2012

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Government

Department of
Housing and Public Works

Ref: HPW01621/12

31 MAY 2012

Mr A Greaves
Auditor-General
Queensland Audit Office
PO Box 15396
City East Qld 4002

Dear Mr Greaves

Thank you for your letter of 14 May 2012 providing me with the opportunity to comment on your draft report to Parliament with respect to the findings of the performance audit on managing unplanned absence of employees in the Queensland Public Service.

The department recognises the increase in unplanned absences over the period covered by the audit. A number of factors, including those identified during the audit such as an increase in sick leave and in access to leave associated with the responsibility of caring for dependents, have impacted on these results.

I bring to your attention the recent machinery-of-Government changes, which have had a significant impact on the demographics of this department. While this may not have a significant impact on the general findings of the report, the department is currently determining the impacts, if any, on specific business areas.

In 2011, the department undertook a review of unplanned absenteeism, with the results being consistent with the findings of your report. Accordingly, the department has introduced a Workforce Attendance Strategy and Action Plan 2011-13. The benefits of this initiative are expected to become evident over the next 12 months.

With respect to the specific recommendations contained in your report, I have attached my response and implementation timeframes.

I am confident that the implementation of these recommendations, in conjunction with the department's Workforce Attendance Strategy and Action Plan 2011-13, will result in a positive impact on the unplanned absence rates.

Should you require any further information, your officers may wish to contact Mr Mark Weinert, Director, Employee Relations, Department of Housing and Public Works on telephone 07 322 45367 or via email mark.weinert@publicworks.qld.gov.au.

Yours faithfully

Natalie MacDonald
Director-General

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Appendix B

Checklist of strategies and practices

This checklist is reproduced from the Public Service Commission's *Guide to promoting attendance in the Queensland Public Service* and provides a quick checklist/summary of key strategies and practices based on best practice research.

Have you established sound methods for recording attendance and absence?		☐
Have you assessed the cost of absence in your agency?		☐
Have you analysed your agency's Minimum Obligatory Human Resource Information (MOHRI) data?		☐
Have you considered your Minimum Obligatory Human Resource Information (MOHRI) data against other organisational data?		☐
Have you established acceptable attendance and absence rates?		☐
Have you established ownership of attendance and absence issues?	Should your agency raise the profile of attendance behaviour?	☐
	Are managers and supervisors aware of their responsibilities?	☐
	Do managers need support through provision of data and training in absence management responsibilities? Are they assessed on the availability and productivity of their staff?	☐
	Are employees aware of their rights and responsibilities? Does your agency support employees to understand the cost of absence, and understand your attendance policies and mechanisms?	☐
	Do your workplaces have open communication and feedback mechanisms?	☐
	Does your agency need an attendance management policy?	☐
	Should you establish an attendance management committee?	☐
Does your agency provide safe workplaces?	How is your injury rate or workers' compensation record?	☐
	Do you provide productive and safe work areas?	☐
	Do you need to address stress in your work environment?	☐
	Do you provide a workplace free of harassment?	☐
Are you providing a healthy workplace?	Do you need a health promotion and wellness program?	☐
	Do you have an effective Employee Assistance Program?	☐

Source: Public Service Commission *Guide to promoting attendance in the Queensland Public Service*

Appendix C

Audit method

Audit objective

The objective of this audit was to determine how effectively Queensland Public Service agencies manage unplanned absence of employees.

Specifically, the audit evaluated whether:

- potential savings would occur with better management of unplanned absence
- appropriate priority has been given to unplanned absence management
- unplanned absence data was being analysed to identify patterns and hotspots and inform management decisions
- appropriate benchmarks had been established and targets set
- policy, guidance and support was provided by central agencies to enable line agencies to effectively manage unplanned absence.

Reason for the audit

Unplanned absence is a major cost of the Queensland Public Service. While most of this cost is unavoidable, being payments and associated costs due to employees with genuine reasons for absence (most commonly being too ill to work), research has shown that part of the cost is avoidable including costs associated with non-genuine absence.

Research shows also that an 'entitlement culture' is a key factor associated with non-genuine absence. This culture also contributes to the low priority given to unplanned absence by management particularly if agency absence levels are below the 'entitlements' provided for in awards and directives. Studies have also shown that there are effective techniques to reduce absence levels particularly in areas with relatively high levels.

Performance audit approach

The audit of managing employee unplanned absence was conducted between September 2011 and February 2012. The audit examined the strategies and systems in place at that time to manage unplanned absence of employees within the Queensland Public Service. The audit consisted of:

- interviews with key staff at the Public Service Commission and the Department of Justice and Attorney-General as central agencies, and the Department of Community Safety, the former Departments of Education and Training, Public Works, and QSuper, Workcover, and the former 10 Queensland Public Service departments
- analysis of key documents with particular attention to policies and procedures, strategies, performance measures and collaboration
- analysis of available unplanned absence data from 2006-07 to 2010-11.

The audit was undertaken in accordance with *Auditor-General of Queensland Auditing Standards*, which incorporate Australian auditing and assurance standards.

Audit cost

The cost of the audit is $510,000

Auditor-General
Reports to Parliament

Tabled in 2012

Report No.	Title	Date tabled in Legislative Assembly
1	Improving student attendance	May 2012
2	Results of audits: Local government financial statements for 2010-11	May 2012
3	Results of audits: Education sector financial statements for 2011	June 2012
4	Managing employee unplanned absence	June 2012

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