

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL BUDGET ESTIMATES 2014

Prime Minister and Cabinet Portfolio

Department/Agency: Australian Public Service Commission

Outcome/Program: 1.1

Topic: Sick leave in the public service

Senator: Bernardi

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Type of question: Written

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Number of pages: 3

Question:

1. What work has been completed by the Commission to identify the costs involved with sick leave in the public service, in particular the cost of lost productivity? If work has been carried out, please detail these costs.
2. Is there an estimate of the total productivity lost cost of sick leave in the public service?
3. Which agencies have the lowest productivity cost associated with sick leave?
4. Which agencies have the highest productivity cost associated with sick leave?
5. Can you provide a table listing the top ten and bottom ten agencies by sick leave dollar value and proportional productivity lost?
6. What work has been completed by the Commission comparing the level of sick leave taken in the public service to the private sector? Please detail the results of work, if conducted.

Answer:

1. The Commission has examined the costs of lost productivity related to sick leave in the Australian Public Service. Proportional productivity loss was calculated as the agency average sick leave days divided by 231 working days. Dollar value was calculated by converting agency total sick leave days into sick leave years which was then multiplied by the agency median annual salary from the 2013 APS Remuneration survey.
2. The estimated cost of lost productivity due to employee sickness was 3.7% or just under \$500 million.
- 3 & 4. Table 1 shows the top and bottom ten agencies arranged by the proportion of productivity cost.

Table 1. Agency by productivity proportion

	Percentage	Dollar value
Top Ten		
ComSuper	5.6%	\$1,860,899.42
Aboriginal Hostels Limited	5.3%	\$1,031,627.26

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Department of Human Services	5.1%	\$113,031,598.83
Australian Taxation Office	5.1%	\$73,328,438.80
National Health and Medical Research Council	5.0%	\$987,746.78
Australian Research Council	5.0%	\$488,084.90
Clean Energy Regulator	5.0%	\$1,501,424.01
Australian Commission for Law Enforcement Integrity	5.0%	\$157,889.72
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education	5.0%	\$15,533,641.33
Bottom Ten		
Independent Hospital Pricing Authority	2.6%	\$122,164.08
Tertiary Education Quality and Standards Agency	2.5%	\$220,562.74
Department of Foreign Affairs and Trade	2.4%	\$5,818,323.53
Australian Human Rights Commission	2.3%	\$255,585.86
Australian Commission on Safety and Quality in Health Care	2.3%	\$112,366.71
Cancer Australia	2.3%	\$132,091.15
Great Barrier Reef Marine Park Authority	2.1%	\$346,128.43
National Blood Authority	2.1%	\$117,080.53
Commonwealth Grants Commission	2.0%	\$63,796.31
Future Fund Management Agency	1.4%	\$181,113.16

5. Table 2 shows the top and bottom ten agencies arranged by dollar value.

Table 2. Agency by dollar value

	Percentage	Dollar value
Top Ten		
Department of Human Services	5.1%	\$113,031,598.83
Australian Taxation Office	5.1%	\$73,328,438.80
Department of Defence	4.0%	\$67,909,240.85
Department of Immigration and Citizenship	4.1%	\$25,724,851.48
Department of Agriculture, Fisheries and Forestry	4.5%	\$17,578,770.33
Department of Health and Ageing	4.2%	\$16,897,677.96
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education	5.0%	\$15,533,641.33
Department of Education, Employment and Workplace Relations	4.6%	\$15,448,199.24
Australian Customs and Border Protection Service	4.0%	\$14,408,605.09
Department of Families, Housing, Community Services and Indigenous Affairs	4.3%	\$11,446,337.64
Bottom Ten		
Australian Institute of Criminology	3.4%	\$117,470.34
National Blood Authority	2.1%	\$117,080.53
National Capital Authority	2.8%	\$115,662.04
Australian National Preventive Health Agency	2.7%	\$113,315.56

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Australian Commission on Safety and Quality in Health Care	2.3%	\$112,366.71
National Water Commission	2.8%	\$108,620.38
Workplace Gender Equality Agency	4.1%	\$106,658.34
Australian Organ and Tissue Authority	3.1%	\$75,486.99
Climate Change Authority	3.0%	\$70,070.55
Commonwealth Grants Commission	2.0%	\$63,796.31

6. The 2011-12 State of the Service Report included a section titled ‘Comparison with the private sector’ (p. 103, <http://www.apsc.gov.au/about-the-apsc/parliamentary/state-of-the-service/2011-12-sosr/04-employee-engagement>) that provided some observations about comparisons between the Australian Public Service and the private sector. The following issues arise in making comparisons between public and private sector data.
- (a) **Workforce Differences.** There are substantial differences in the nature of the two workforces which make comparisons difficult. For example, the public sector has fewer part-time employees, fewer employees with manual duties and more professionally qualified employees. Differences like these make comparisons between the private and public sector difficult.
- (b) **Data Reporting.** There are differences in the quality of data reporting between the Australian Public Service and the private sector which make subsequent comparisons difficult. One of the best known private sector workplace absence surveys in Australia is conducted by Direct Health Solutions. The difficulty faced in obtaining accurate and representative sick leave data from the private sector is reflected in the 3.2% response rate to the 2012 Direct Health Solutions survey. Consequently, how representative reported data is of the entire private sector is not clear. In comparison, the data reported in the State of the Service Report for the equivalent year was based on data obtained from every agency in the Australian Public Service.
- (c) **Data Collection.** In 2013, Direct Health Solutions reported that: “In the past two years absence in the public sector has fallen almost 15%. Conversely Private Sector absence levels rose from 8.6 days per employee to 8.9 days in the past twelve months”. The median sick leave rate reported in the 2012-13 State of the Service Report was 8.5 days per employee. However, comparisons are complicated by different data collection methods. The sick leave data compiled in the State of the Service Report is drawn from agency human resource management systems. The data reported in the Direct Health Solutions report is based on respondents completing a survey. In 2013, the Direct Health Solutions survey was completed by 108 organisations, 84 per cent of which were from the private sector and 16% from the ‘public sector’. In this case ‘public sector’ could include survey responses from Commonwealth, State or Local government organisations. Consequently, direct comparisons with the data collected exclusively on the Australian Public Service are difficult to make.