

Get Better Soon: The Management of Sickness Absence in the WA Public Sector

Report 5 – August 1997

Background...

The WA public sector employs the equivalent of about 90 000 full time staff at an annual wages and salaries cost in the order of \$4 billion. Most staff have an accumulating entitlement of at least ten days sick leave per year on full pay.

Studies around the world suggest that the adoption of best practice can reduce sick leave by 40 per cent to 50 per cent in organisations with high absence rates.

What the examination found...

- The cost of paid sick leave in the public sector is about \$80-100 million per year. This does not include the cost of overtime or relief workers.
- The average government employee takes about six days sick leave annually. However, there are wide variations in absence rates between agencies, occupations, salary levels, age and sex.
- The management of sickness absence in most agencies is neglected. Effort is mainly directed at administering complex entitlements.
- If public sector sick leave could be reduced to the level of much of the private sector and some government agencies, the annual cost of paid sick leave would fall by about \$20 million.

What the examination recommended...

Sick leave administration should be reviewed. Agencies need to:

- prepare policies and procedures on all aspects of sick leave administration;
- reduce the variety, complexity and administrative cost of sickness entitlements;
- introduce better controls to ensure the complete and accurate recording of sick leave; and
- produce better sick leave management information.

The key to reducing sickness absence is a shift of emphasis from administering sick leave entitlements to managing staff and costs. Agencies need to:

- prepare policies and procedures on all aspects of sick leave management;
- use data analysis and consultation with staff to identify the causes of sickness absence;
- take steps to promote job satisfaction and organisational health; and
- assign responsibilities and design protocols for managing individual staff.