12 February 2003

Ms Andrea Griffiths
Usher of the Black Rod


**Question on Notice - Accrued Leave**

I refer to a question taken on notice at the Additional Estimates hearing held on 10 February 2003 which related to accrued leave of departmental staff.

The leave liability provision outlined in page 110 of the department's 2001-02 Annual Report reflects the value of the annual leave and long service leave entitlements of departmental staff at 30 June 2002. In the case of annual leave, the liability is recognised at the nominal amount. In the case of long service leave, the liability is recognised and measured at the present value of the estimated future cost. In determining the present value of the long service leave liability, the department takes into account attrition rates and future pay increases.

A significant portion of the total leave liability relates to accrued long service leave. Historically, staff accrue their long service leave and either take a block of leave from time to time, or receive payment for the leave when they exit Commonwealth employment.

In terms of staff accessing annual leave, the department's certified agreements stipulate that supervisors, in consultation with staff, are to develop and implement a plan for the clearance, as far as practicable and reasonable, of each staff member's annual leave credit within the year in which it accrues.

Departmental managers are provided with regular reports on the amount of leave taken by their staff within the previous 12-month period, as well as information on staff who have potentially excess annual leave credits.

As an additional measure to encourage staff to take their annual leave, and as a means of managing the costs of accrued annual leave, the clerical certified agreement provides for the payment in lieu of annual leave in excess of 40 days as at 1 November each year. In 2001 there were only seven staff with excess credits (3% of total staff), and in 2002 there were ten staff (4% of total staff).



Denise Gordon
Director (Human Resource Management)