LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

COMMITTEE SUPPORT

QoN No. 77

Standing Committee on Health and Community Wellbeing

Inquiry into Annual and Financial Reports 2021-2022
ANSWER TO QUESTION ON NOTICE

Asked by **MS LEANNE CASTLEY MLA** on 8 November 2022:

Reference: CHS annual report 2021-22 page 73

In relation to: Underutilisation of leave

1) Could you provide details about the underutilisation of leave in relation to the 13.7 million increases for employee benefits?
2) How are employees simultaneously using leave causing staffing shortages and underutilising leave? Provide details.
3) For:
   a. July 2021 to June 2022 and
      i. excess hours worked for each classification e.g. RN1, RN2, RN3, EN etc
   b. July 2022 to present for:
      ii. excess hours worked for each classification e.g. RN1, RN2, RN3, EN etc

MINISTER STEPHEN-SMITH MLA: The answer to the Member's question is as follows:

1) The $13.7 million referred to on page 73 of the 2021-22 Canberra Health Services (CHS) Annual Report is the variance between the actual Employee Benefits Liabilities reported by CHS in 2021 compared to that reported in 2022.

   Employee Benefits Liabilities include:

   - Annual leave provisions;
   - Long service leave provisions; and
   - Accrued salaries and other entitlements.

   Further details relating to employee benefits, including descriptions and breakdowns are reported on pages 119-120 of the Annual Report. The key reason for the increase is due to the movement in the annual leave provision for 2022, which is attributed to:

- Reduced utilisation of annual leave linked to the impacts of the COVID-19 pandemic with state and international border closures; and
- Increased full-time equivalent (FTE) employed in 2022, compared to the prior year.

With employees not utilising their annual leave and increased FTE, the annual leave provision increases. Annual leave is an employee entitlement that is classified as a liability on the balance sheet until the leave is taken or paid out. It is accrued monthly (i.e. the movement in the entitlement) and is calculated on the staff member's current salary.

Accrued salaries also increased as at 30 June 2022 compared to the prior year. This was due to the year-end salary accrual increasing in line with higher FTE and a slight increase in the number of days between the last payroll and the end of the financial year.

2) Employees can be taking leave and still be accounted for as having excess leave until they fall below the threshold of excess leave. It is possible for the workforce to be taking higher rates of leave and employee benefits also increasing. Employee benefits include a range of items including leave. As the size of the workforce increases so do the entitlements accruing for that workforce.

   Personal leave does not form part of employee benefits liabilities as it is non-vesting (i.e. it is not paid out when the employee ceases employment). As a result, employees can take personal leave without this impacting the employee benefits liability. As indicated in public comments, staffing pressures have largely resulted from unplanned leave (eg personal or COVID leave) during the COVID-19 pandemic and in periods where there have been high rates of respiratory illness in the community.

3)

i. The data below details all overtime paid by classification level for permanent and temporary staff for the period 1 July 2021 to 30 June 2022. The hours reported are those undertaken in excess of contracted hours (reported as overtime).

Classification	**Average paid overtime hours per headcount per pay period**
Registered Nurse Level 1	2.27
Registered Nurse Level 2	1.67
Registered Nurse Level 3	0.93
Registered Nurse Level 4	0.87
Registered Nurse Level 5	0.46
Registered Midwife Level 1	1.3
Registered Midwife Level 2	0.78
Registered Midwife Level 3	0.67
Registered Midwife Level 4	0.5
Registered Midwife Level 5	0

Classification	Average paid overtime hours per headcount per pay period
Assistant in Nursing	2.32
Enrolled Nurse Level 1	2.28
Enrolled Nurse Level 2	1.65
Nurse Practitioner	0.16

ii. The data below details all overtime paid by classification level for permanent and temporary staff for the period 1 July 2022 to 26 October 2022. The hours reported detail those undertaken in excess of contracted hours (reported as overtime).

Classification	Average paid overtime hours per headcount per pay period
Registered Nurse Level 1	2.80
Registered Nurse Level 2	2.15
Registered Nurse Level 3	0.92
Registered Nurse Level 4	0.66
Registered Nurse Level 5	0.19
Registered Midwife Level 1	2.30
Registered Midwife Level 2	1.11
Registered Midwife Level 3	0.04
Registered Midwife Level 4	0.44
Registered Midwife Level 5	0
Assistant in Nursing	2.49
Enrolled Nurse Level 1	1.54
Enrolled Nurse Level 2	1.31
Nurse Practitioner	0.6

Approved for circulation to the Standing Committee on Health and Community Wellbeing

Signature:  Date: 12/1/23

By the Minister for Health, Rachel Stephen-Smith MLA