

Management of Accrued Leave Policy

1. Purpose

The *Management of Accrued Leave Policy* (Policy) details the responsibilities of the Chief Executives of Health Service Providers, managers and employees in relation to matters concerning the reduction of Accrued Leave.

The Policy provides leave management strategies to better enable employees to take leave and reduce Leave Liability. Leave Liability is a significant concern due to the potential impact on employee wellbeing and productivity, and the correlating increase in financial liability which has a direct impact on the cost of delivering health services.

In accordance with the Department of Mines, Industry Regulation and Safety (DMIRS), Public Sector Labour Relations Policy Statement – Management of Accrued Leave in the Public Sector (DMIRS Policy Statement) employees should be encouraged to take leave before it becomes Excess Leave.

The Policy aligns with the DMIRS Policy Statement and details leave management strategies to facilitate employees to take their Accrued Leave entitlements within a reasonable time, before it becomes Excess Leave and in accordance with provisions of relevant Industrial Instruments.

For the purposes of the Policy, leave management applies to Annual Leave, Long Service Leave, Accrued Days Off, Rostered Days Off and Time Off In Lieu.

This Policy is a mandatory requirement under the *Employment Policy Framework* pursuant to section 26(2)(f) of the *Health Services Act 2016*.

2. Applicability

This Policy is applicable to all Health Service Providers.

3. Policy requirements

In accordance with the DMIRS Policy Statement and subject to the provisions of the relevant Industrial Instrument:

- employee Annual Leave entitlements should not exceed two accrued entitlements;
- each entitlement to Long Service Leave should be taken within two years of being accrued;
- Accrued Days Off and Rostered Days Off should be cleared within the settlement period in which they occur; and
- the payment of overtime and public holiday penalties at the time of accrual should be favoured to prevent or reduce Time Off In Lieu accrual. In the event of Time Off

In Lieu accrual, Time Off In Lieu should be cleared within the settlement period in which it occurs.

A list of Industrial Instruments can be found in the [Awards and Agreements Library](#).

3.1. Chief Executive responsibility

Chief Executives are required to monitor leave accruals and implement leave management strategies to reduce and prevent the accrual of Excess Leave. Chief Executives must monitor Excessive Leave. Excess Leave can be monitored for continuous improvement through the Health Service Performance Report via the WA Health Monthly Dashboard Report.

3.2. Executive and managerial responsibility

Executives and managers are responsible for monitoring and reviewing excess Annual Leave, Long Service Leave, Accrued Day Off, Rostered Day Off and Time Off In Lieu balances and implementing appropriate action to reduce Leave Liability within their areas or work units. Review and implementation must be operationally feasible.

Section 25 of the *Minimum Conditions of Employment Act 1993 (WA)* emphasises the need for both managers and employees to reach agreement on how leave provisions are managed and when leave is taken. It is important managers are aware of these legislative provisions, in conjunction with the relevant Industrial Instrument, and prevailing where the Industrial Instrument is silent.

Managers authorising payroll certification statements will receive a monthly Leave Balances Report shortly after the last pay period of the month. The Leave Balances Report will assist managers in monitoring employees' individual Excess Leave balances and view existing leave bookings.

Managers are also responsible for the following:

- Familiarising themselves with applicable Industrial Instrument provisions regarding entitlement and accrual of Annual Leave, Long Service Leave, Accrued Days Off, Rostered Days Off and Time Off In Lieu.
- Ensuring employees apply for leave in accordance with the requirements at 3.3. subject to the relevant Industrial Instrument.
- When reviewing a leave application and prior to approval, taking into consideration:
 - the Policy requirement of reducing Excess Leave;
 - organisational priorities;
 - employee preference for holiday periods;
 - fairness and equity;
 - financial impact for example, when leave is requested to be cashed out; and
 - relevant industrial provisions in the applicable Industrial Instrument.
- Ensuring approved leave applications are reflected in the relevant human resource information management system.
- Maintaining a customised leave calendar accessible by all employees.
- Developing an Employee Leave Management Plan with employees who have, or are likely to have an Excess Leave accrual (see 6.1.).

3.3. Employee responsibility

Employees are responsible for clearing leave within a reasonable time, in accordance with the applicable Industrial Instrument and the Policy.

Employees who have an Excess Leave accrual are to complete an Employee Leave Management Plan (see 6.1.) in consultation with management and clear Excess Leave as soon as practicable. Employees can access information on their leave accruals through their MyHR page (Alesco users only) or their pay advice slip.

Employees are also responsible for the following:

- Familiarising themselves with their leave entitlements and, where applicable, provisions for Accrued Day Off, Rostered Days Off and Time Off In Lieu in their respective Industrial Instrument.
- Affording management ample notice of prospective future leave requests to provide for adequate workforce planning and facilitation of the approval of leave applications.
- Complying with mandatory leave booking requirements by:
 - completing a timely leave application form for approval; or
 - submitting a timely leave application request through MyHR for approval.

3.4. Leave management strategies

Active leave management strategies to reduce existing Excess Leave accruals, in accordance with the relevant Industrial Instrument, can include one or more of the following, where appropriate:

- Scheduling future leave before it becomes excessive.
- Scheduling leave during periods of low demand congruent to fluctuations in operational activity.
- Scheduling a closedown or slowdown during regular and planned periods of low demand such as Christmas/New Year (this strategy must consider applicable mandatory consultation requirements and notice periods).
- Promoting the cashing out of Accrued Leave.
- Considering the necessity of backfilling such as not backfilling a vacancy of less than two weeks.

Proactive leave management strategies implemented to prevent the accrual of Excess Leave can include one or more of the following:

- Including explanation of leave entitlements and management strategies in accordance with the Policy during orientation of new employees.
- The provision of training and development to enable efficient backfill of temporary vacancies during periods of leave.
- Encouraging early leave scheduling to maximise opportunities to initiate workplace planning and facilitate the approval of leave applications.
- Monitoring leave portability of promoted, transferred, seconded or redeployed employees between employing authorities.

Further information regarding leave management strategies and appropriate approval and recordkeeping processes is available at the WA Health [leave intranet webpage](#).

4. Compliance monitoring

4.1. Health Service Provider

Chief Executives, executive teams and employees have joint responsibility to comply with the Policy and implement leave management strategies to ensure Accrued Leave entitlements are taken within a reasonable time.

4.2. System Manager responsibility

The System Manager will monitor compliance with the Policy and Leave Liability.

5. Related documents

The following documents are mandatory pursuant to this Policy:

- NA

6. Supporting information

The following information is not mandatory but informs and/or supports the implementation of this Policy:

6.1. Employee Leave Management Plan

Local managers and employees are to develop an Employee Leave Management Plan where Excess Leave has or is likely to accrue, to be submitted to the relevant authorised delegate within four weeks of the initial discussion for approval.

An [Employee Leave Management Plan template](#) is provided at [Attachment 1](#).

7. Definitions

The following definition(s) are relevant to this Policy.

Term	Definition
Accrued Leave	Leave entitlements which progressively accrue in alignment with an employee's tenure and in accordance with the applicable Industrial Instrument.
Accrued Day Off	Ordinary time worked which accumulates towards a paid day off in accordance with the applicable Industrial Instrument.
Employee Leave Management Plan	An agreed plan between the employee and employer detailing how Excess Leave will be managed and cleared.
Excess Leave	An Annual Leave balance in excess of two accrued entitlements and/or a Long Service Leave balance which remains two years after the date of entitlement subject to the relevant Industrial Instrument.
Health Monthly Dashboard Report	A monthly report provided to Payroll Certification Statement recipients that indicates Excess Leave balances in accordance with the relevant Industrial Instrument.

Industrial Instrument	An Award or Industrial Agreement of the Western Australian Industrial Relations Commission applicable to the WA health system.
Leave Liability	The total amount of unused Annual Leave and Long Service Leave, Accrued Days Off, Rostered Days Off and Time Off In Lieu in hours, or the equivalent dollar amount, which is attributable to all employees at a given point in time.
Payroll Certification Statement	A statement that lists staff payments made in each pay period relevant to the respective organisational unit. Payroll Certification Statement recipients are required to review, update and certify the report.
Rostered Day Off	Ordinary time worked which, routinely via a prescribed roster, accumulates towards a paid day off in accordance with the applicable Industrial Instrument.
Time Off In Lieu	Time accrued in lieu of payment when an employee is rostered to work on a public holiday, in substitution for payment of overtime, or when recalled and the employee elects for time to be accrued in lieu of payment, in accordance with the applicable Industrial Instrument.

8. Policy contact

Enquiries relating to this Policy may be directed to:

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9. Document control

Version	Published date	Effective from	Review date	Amendment(s)
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MP 0100/18 v.1.1	29 May 2019	29 May 2019		Minor Amendment – Fixed broken links

10. Approval

Approval by	Dr David Russell-Weisz, Director General, Department of Health
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