

EXPLANATORY STATEMENT

PUBLIC SECTOR MANAGEMENT AMENDMENT STANDARD 2004 (No 5) DISALLOWABLE INSTRUMENT NO DI2004-65

Public Sector Management Act 1994

Legislative Context

The *Public Sector Management Act 1994* (the Act) regulates the management of the public sector and, in particular, section 251 of the Act empowers the Commissioner, with the approval in advance of the Chief Minister, to make Public Sector Management Standards (the Standards) for the purposes of the Act.

Outline

Standard 2 Part 1 dealing with the employment of Chief Executives and Executives is part of the broader employment framework for senior ACT public servants.

The two amendments to Standard 2 Part 1 include changes to special benefits on early termination of contracts and inclusion of performance management requirements.

The first amendment to Standard 2 Part 1 Rule 6 varies the special benefits payable to Chief Executives and Executives on early termination of contracts in certain circumstances. This includes where a contract is terminated due to changes in operational requirements which result in a substantial change to the nature of work required under the contract. In those circumstances, benefits are payable to Chief Executives and Executives for up to two weeks remuneration for each completed year of service, to a maximum of 44 weeks remuneration. This is in addition to 8 weeks notice period required under the contract of employment.

The previous benefit for early termination of contracts under the Standard set the maximum limit at 3 months (12 weeks based on two weeks for every year of continuous service).

Provisions relating to the limit of one month's maximum special benefits for early termination of contracts due to a failure to disclose prior criminal convictions and benefits applying to transitional executives (i.e. those who were formerly Senior Executive Service officers) have not changed.

Changes to the layout of this Rule have also been made.

The second amendment inserts new Rule 8 in Standard 2 Part 1 to require an annual performance review for Chief Executives and Executives.

Financial Impact

Any increased operational costs will be absorbed by agencies.