

## EXPLANATORY STATEMENT

### **PUBLIC SECTOR MANAGEMENT AMENDMENT STANDARD 2005 (No 8) DISALLOWABLE INSTRUMENT NO DI2005 -203**

*Public Sector Management Act 1994*

#### Legislative Context

The *Public Sector Management Act 1994* (the Act) regulates the management of the public sector. Section 251 of the Act empowers the Commissioner, with the written approval 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.

Recent changes to the Executive employment framework under the Act (Public Sector Management Amendment Bill 2005) now authorise the Standards to provide further detail for the purposes of sections 28AA(2)(b) and 72A(2)(b) of the Act.

The amendments to Standard 2 Part 1 Rule 7 primarily set in place arrangements to support movements in Executive remuneration zones as set out in sections 28AA(2)(b) and 72A(2)(b) of the Act.

This provides that a contract variation can increase the level of a job where the increase is justified by a job evaluation. This reflects existing provisions that require that a job evaluation methodology be used to identify job levels, which, in turn, links to pay levels set by the Remuneration Tribunal.

The amendments permit increases where there is an increase in job responsibilities as supported by a job evaluation and limit the span of pay increases to within a Zone for Zones One and Two, and to two pay points for Zone Three, which includes Deputy Chief Executives and Chief Executives.

The amendments also make changes to the layout of the Standard and clarify the circumstances where a work value assessment is not required in accordance with section 76 of the Act. This relates only to short-term contracts and is an existing provision in the Standards.

Further, the amendments remove outdated references to retrospective commencement for earlier amendments.

#### Financial Impact

Any financial impact will be absorbed by agencies.