

## EXPLANATORY MEMORANDUM

### **PUBLIC SECTOR MANAGEMENT AMENDMENT STANDARD 2001 (No 5) DISALLOWABLE INSTRUMENT DI No 314**

*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

Management Standard 3, Part 6 provides the authority for the payment of allowances in respect of relocation and temporary accommodation. Most of the current allowances are based on Commonwealth Determinations that were adopted by the ACT Public Service on separation from the Commonwealth in 1994. The current arrangements are difficult to interpret and apply consistently. They also give limited discretion to Chief Executives, who can either approve the full range of benefits, or none of the benefits.

The new Standard replaces the existing allowance-based arrangement with one based on the reimbursement of reasonable receipted costs, where an officer or employee is required to temporarily or permanently relocate themselves and their family to the ACT or elsewhere because of ACT Public Service work requirements. The Standard gives Chief Executives the discretion to negotiate and approve reimbursements within a prescribed dollar limit, and in exceptional circumstances above that limit. Chief Executives also retain the discretion not to approve reimbursement. The ceiling, which has been calculated on the basis of estimated costs using the allowances under the current Standard, will be reviewed and adjusted periodically as necessary.

The new arrangements will:

- ensure that officers and employees are not unreasonably out-of-pocket;
- provide greater flexibility in determining the relocation expenses to be met;
- reduce administrative costs and complexity;
- maintain present recruiting power; and
- bring the present arrangements for relocation and temporary accommodation payments into line with those in place for the reimbursement of travel-related expenses.

#### Financial Impact

As the new Standard provides a greater degree of control over the level of financial assistance provided, there is the likelihood of cost savings where payments would normally have been approved. Where payments would not otherwise have been approved under the current arrangements, any additional costs resulting from the new arrangements will be met from within existing budget allocations.