

Australian Capital Territory

# Public Sector Management Amendment Standards 2007 (No 1)

**Disallowable instrument DI2007–64**

made under the

**Public Sector Management Act 1994, s 251 (Management Standards)**

## EXPLANATORY STATEMENT

---

### Background

This amendment substitutes part 7.3 of Public Sector Management Standards (the Standards) with revised provisions. Part 7.3 provides executives, chief executives, and most full time statutory office holders with an entitlement to use a vehicle, and places parameters on the selection and use of such vehicles.

Previously parameters around the selection and use of executive and full time statutory office holder vehicle entitlements were contained in both the Standards and Remuneration Tribunal Determinations. This amendment consolidates the parameters and makes a comprehensive Standard. The Standard will prevail over current Remuneration Tribunal Determinations to the extent of any inconsistency.

### Vehicle Entitlement

The amendment changes the choice of vehicle available to executives and full time statutory office holders. The vehicle models available are now restricted to sedans, wagons and people movers. Executive vehicles must be made available for government business during ordinary working hours, and these models are considered to meet the operational requirements of the service.

The distinction between executives and full time statutory office holders engaged before or after 1 July 2006 has been removed. Under section 551A of the Standards as amended all executives and full time statutory office holders who enter into a new leasing arrangement for an executive vehicle, will be required to select a four cylinder vehicle. This requirement relates to new executives and full time statutory office holders; executives and full time statutory office holders re-appointed at the end of their current contract; and existing executives and full time statutory office holders whose leases expire, or who enter into a lease, part way through their contract.

New provisions have been included in the Standards at section 551C which clarifies the vehicle entitlement for part time executives. The section provides that part time executives are entitled to full time use of an executive vehicle. The section includes the option for agency chief executives, on a case-by-case basis, to seek the approval

of the administering chief executive to have the vehicle entitlement restricted to a part time basis.

The requirement previously imposed through Remuneration Tribunal Determinations, that vehicles with over 1.8 litre engines be Australian made has not been replicated in the Standard, which now provides that vehicles can be Australian made or imported (section 555(5)). Given the four cylinder requirement, this ensures executives and full time statutory office holders will retain access to a significant choice of vehicles.

Section 553 of the Standards now contain an option for executives to choose payment in lieu of an executive vehicle entitlement. Associated with this option, the amendment also gives executives and full time statutory office holders the option of receiving payment in lieu of their entitlement to a parking space. These entitlements had previously been contained in Remuneration Tribunal Determinations.

#### Value of Entitlement

The value of the vehicle entitlement has not been changed as a result of this amendment. However, there has been a change in the method of identifying the entitlement, as the previous benchmark vehicles were six cylinder vehicles. The vehicle entitlement is now determined in table 552, by reference to the monthly lease rate. A monthly lease rate is allocated to each remuneration zone and executives and full time statutory office holders are able to select vehicles from within the allocated lease rates. The lease rates reflect the base monthly lease costs of the previous benchmark vehicles. It is intended that the Territory will meet all costs associated with executive vehicles over and above the monthly lease rate.

Associated with the vehicle value, the administering chief executive has also been provided with a new power in section 552 to consider requests from other chief executives to extend the monthly lease rate set out in table 552 by up to 5%.

#### Other Amendments

The Standards now contain an entitlement in section 554 for executives and full time statutory office holders with disabilities to have the vehicle modified, as necessarily, to allow them to drive that vehicle. This entitlement had previously been contained in Remuneration Tribunal Determinations.

Other provisions concerning the modification of executive vehicles by fitting equipment to them have been removed from the Standards and will now be contained in the supporting Guidelines. This allows greater flexibility in the equipment that can be fitted to executive vehicles. The Standards as amended contain a provision in section 554 that the requirements of the Guidelines associated with vehicle modification must be followed.

The requirements associated with the return, transfer, replacement and purchase of executive vehicles have also been removed from the Standards. Again this information has been placed in the accompanying Guidelines. The requirements associated with vehicle return, transfer, replacement and purchase depend in large part on the requirements of the fleet provider, and removing these provisions from the Standards allows greater flexibility should the fleet provider change, or change their requirements. The Standards as amended contain a provision in section 551B that

requirements of the Guidelines associated with vehicle return, transfer, replacement and purchase must be followed.

The amendment introduces a new definition section into part 7.3 (section 551) and makes some technical and formatting and changes to the pre-existing provisions.