

# Public Sector Management Amendment Standards 2021 (No 1)

## Disallowable instrument DI2021-298

made under the

[Public Sector Management Act 1994](#), s 251 (Management standards)

## EXPLANATORY STATEMENT

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### Background

The *Public Sector Management Act 1994* (the PSM Act) regulates the management of the public sector. Section 251 of the PSM Act empowers the Head of Service, with the written approval of the Chief Minister, to make Public Sector Management Standards (Standards) for the purposes of the PSM Act.

### Senior Executive Service (SES) vehicle entitlements

The Remuneration Tribunal conducted a major review into the ACT Public Service (ACTPS) SES remuneration, allowances and other entitlements in 2017-2019. The Tribunal recommended the removal of an SES member entitlement to a vehicle and replace it with a payment in lieu of a vehicle, similar to arrangements for Members of the Legislative Assembly.

The ACT Government agreed to remove SES member vehicle entitlements from the Standards and replace them with a superable base salary. This payment is superable, which means it will be included in the calculation of employer superannuation contributions.

### Purposes of instrument

This instrument amends the Standards with the following purposes:

- To remove SES member vehicle entitlements (other than parking entitlements) and replace them with superable supplementary base salary.
- Make amendments to the Standard's dictionary consequential upon other amendments made by this instrument.

### Section 1 Name of Instrument

This is a technical provision stating the name of the instrument as the *Public Sector Management Amendment Standards 2021 (No 1)*.

## **Section 2 Commencement**

This section states this instrument commences on the day after its notification.

## **Section 3 Legislation amended**

This section states that the instrument amends the *Public Sector Management Standards 2016*.

## **Section 4 Division 5.3 heading**

Section 4 substitutes the heading of Division 5.3 of the Standards. The heading is amended to include that the Division contains other entitlements in addition to an SES member's classification and salary because it contains superannuation and parking provisions, the latter consequential upon section 6 of this instrument.

## **Section 5 Section 51**

Section 5 substitutes section 51 of the Standards which provides that an SES member's salary must not be less than the base salary for the SES member's classification. The following amendments are made:

- a) The section now specifies that an SES member's base salary (other than supplementary base salary) is a reference to the base salary provided under the ACT Remuneration Tribunal determination for SES members as in force from time to time.
- b) A supplementary base salary is provided to SES members. The rate is dependent on the SES member's classification band.

The supplementary base salary amount replaces and is equal to the amount formerly available to SES members who could elect to be paid an amount instead of a receiving an executive vehicle. This entitlement, and other vehicle entitlements other than parking, are no longer available consequential upon section 7 of this instrument.

## **Section 6 New section 52A**

Section 6 inserts new section 52A into Division 5.3 of the Standards which provides parking entitlements for SES members. The provisions of the section were formerly located at sections 60 and 61 of the Standards. The parking entitlements are unchanged.

## **Section 7 Division 5.5**

Section 7 omits Division 5.5 of the Standards which contained executive vehicle entitlements for SES members. These entitlements have been replaced with supplementary base salary under section 51 of the Standards consequential upon section 5 of this instrument. Provisions for SES member parking, formerly under Division 5.5, are now located in Division 5.3 of the Standards consequential upon section 6 of this instrument.

## **Section 8      Section 131 (1)**

Section 8 amends section 131 of the Standards. Section 31 is a transitional provision that was inserted in 2018 to ensure that executives who had leased an executive vehicle were not disadvantaged by the amendments made to the Standards by Public Sector Management Amendment Standards 2018 (No 1). This amendment ensures that the transitional provision continues to apply to an SES member that had a lease prior to the 2018 amendments.

## **Section 9      New Part 13**

Section 15 inserts new Part 13 into the Standards. The new Part provides transitional arrangements for executives with existing vehicle leases. The following sections are provided in the new Part:

Section 133 provides the meaning of ‘commencement day’ which is the day on which the supplementary base salary provisions under section 51 of the Standards (section 5 of this instrument) commence.

Section 134 provides an SES member who has leased a vehicle under the former section 58 of the Standards, as in force immediately before the commencement of this instrument, is not eligible for payment of the supplementary base salary under section 51 of the Standards (provided by section 5 of this instrument) for the period the lease is in force. The executive member is eligible for the supplementary base salary immediately after the lease is ended.

Section 135 provides the new Part 13 expires 5 years after the commencement day. The maximum vehicle lease term under territory vehicle leasing arrangements is 5 years so there will be no SES members with a vehicle arrangement in place after this period.

## **Sections 10 to 13      Dictionary**

Sections 10 to 13 amend the Dictionary of the Standards. The following changes are made:

Section 10 omits the definition for ‘business use’ which is no longer used in the Standards consequential upon the omission of Division 5.5 by section 7 of this instrument.

Section 11 omits the definition for ‘executive vehicle’ which is no longer used in the Standards consequential upon the omission of Division 5.5 by section 7, of this instrument.

Section 12 amends the definition for ‘relevant base salary’ which provides a cross reference to Division 5.3. The reference is amended in line with the change to the division’s name, consequential upon section 4 of this instrument.

Section 13 omits the definition for ‘SES member vehicle policy’ which is no longer used in the Standards consequential upon the omission of Division 5.5 by section 7 of this instrument.