

Australian Capital Territory

Public Sector Management Amendment Standards 2017 (No 2)

Disallowable instrument DI2017–246

made under the

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

EXPLANATORY STATEMENT

The *Public Sector Management Act 1994* (the Act) regulates the management of the public sector. Section 251 of the 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 Act.

Definitions

Section 38 of the Public Sector Management Act 1994 provides a range of reasons for which a long term executive contract may be terminated early.

An early termination severance benefit is currently only payable where a contract is terminated early for operational reasons (section 38(e)).

The benefit payable under this section is set out at section 72 of the Public Sector Management Standards 2016 and is the greater of 26 weeks salary or 2 weeks salary for every year of continuous service up to a maximum of 44 weeks.

Early Termination of Long Term Executive Contracts – *In the interests of the service*

Section 38(f) of the Public Sector Management Act provides for the early termination of a long term executive contract in the interests of the service.

An early termination in the interests of the service may occur for a range of reasons where the executive is not considered to be at fault. This could occur where relationships between Governing Boards and CEO's or between Ministers and Directors-General have become unworkable but the executive has not engaged in misconduct or underperformed.

This amendment extends the severance benefit payable under section 72 of the Standards in regard to a termination for operational reasons (38(e)) to also apply to separations in the interests of the service (38(f)) where there is an ongoing requirement to fill the role.