



New South Wales

# Public Sector Employment and Management Further Amendment Bill 2008

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to amend the *Public Sector Employment and Management Act 2002* (*the principal Act*) as follows:

- (a) to enable long-term Departmental temporary employees to be appointed on merit to vacant Public Service officer positions that have not been advertised,
- (b) to make it clear that the period for which a Public Service officer is appointed on probation may be extended,
- (c) to make it clear that the period of suspension of a Public Service officer who is charged with a serious criminal offence includes (if the person is found guilty) the period until any remedial or disciplinary action that the appropriate Department Head is considering taking in relation to the officer has been dealt with,
- (d) to enable the Director of Public Employment to waive the citizenship and permanent residency requirements for Public Service officers,
- (e) to make it clear that a public sector employee who is on a long-term (ie at least 2 years) internal secondment within the same agency can be appointed to a

new position in the agency without the position having to be advertised or requiring the person to serve a period of probation,

- (f) to make it clear that appointments may be made to an executive position (or to any other position in the Government Service) pending the position becoming vacant,
- (g) to extend the delegation power of the Director of Public Employment,
- (h) to modify the membership of the State Contracts Control Board (the *SCCB*),
- (i) to authorise the Director-General of the Department of Premier and Cabinet to conduct inquiries into public sector agencies (other than the NSW Police Force and the service of either House of Parliament),
- (j) to make other amendments of a minor or consequential nature.

The Bill also amends the *Public Sector Management (Goods and Services) Regulation 2000*:

- (a) to enable the SCCB to enter into arrangements with overseas public authorities that conduct activities in New South Wales so that the overseas bodies can have access to the contracts established by the SCCB for the NSW public sector, and
- (b) to make a consequential amendment in relation to the quorum for a meeting of the SCCB.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the date of assent to the proposed Act.

**Clause 3** is a formal provision that gives effect to the amendments to the *Public Sector Employment and Management Act 2002* set out in Schedule 1.

**Clause 4** is a formal provision that gives effect to the amendments to the *Public Sector Management (Goods and Services) Regulation 2000* set out in Schedule 2.

**Clause 5** provides for the repeal of the proposed Act after all the amendments made by the proposed Act have commenced. Once the amendments have commenced the proposed Act will be spent and section 30 of the *Interpretation Act 1987* provides that the repeal of an amending Act does not affect the amendments made by that Act.

## Schedule 1      **Amendment of Public Sector Employment and Management Act 2002**

**Schedule 1 [1] and [5]** modify the criteria for determining merit for the purposes of the principal Act by replacing references to a person's abilities and personal qualities with references to a person's capabilities.

**Schedule 1 [2]** will allow a Department Head to appoint a long-term temporary employee in the Department to a vacant officer position that has not been advertised. Any such appointment must be made on merit. At present, only officers employed in the Department concerned can be appointed to a position that has not been advertised. **Schedule 1 [3]** is a consequential amendment.

**Schedule 1 [4]** makes it clear that the period for which a person is appointed on probation to a position in the Public Service may be extended by the appropriate Department Head at any time before the person's appointment is confirmed or annulled.

**Schedule 1 [6] and [7]** update references relating to the Department of Premier and Cabinet and correct a cross-reference to a provision of the principal Act.

**Schedule 1 [8]** makes it clear that if a Public Service officer who is charged with a serious criminal offence is found guilty, the officer may be suspended from duty until any remedial or disciplinary action that the appropriate Department Head is considering taking under section 48 of the principal Act in relation to the officer has been dealt with.

**Schedule 1 [9]** enables the Director of Public Employment to exempt a person from the requirement that the person be an Australian citizen or permanent resident in order to be a Public Service officer.

**Schedule 1 [10] and [11]** separate section 86 of the principal Act (which deals with temporary staff transfers or secondments) into 2 provisions. Section 86 (as amended) will continue to deal with transfers from one agency to another. The new section 86A replicates section 86 but will deal only with temporary transfers within the same agency. As with secondments to other agencies, an employee who is on a long-term (ie at least 2 years) "employee-initiated" internal secondment can be appointed, subject to certain requirements, to a new position in the same agency without the position having to be advertised or requiring the person to serve a period of probation.

**Schedule 1 [12]** provides that public sector staff may be temporarily assigned to other public sector agencies specifically to assist in disaster recovery activities.

**Schedule 1 [13]** makes it clear that when a person is employed in 2 or more Departments (or in the Public Service and in any other public sector service) a separate staff position is not required to be created in each of the 2 agencies in which the person is employed.

**Schedule 1 [14]** makes it clear that a person may be appointed to an executive position (or to any other position in the Government Service) pending the position becoming vacant.

**Schedule 1 [15]** removes a provision relating to the use of Teaching Service staff by Departments. The provision is obsolete largely as a consequence of the staff mobility provisions under Part 3.2 of the principal Act.

**Schedule 1 [16]–[18]** will enable the Director of Public Employment to delegate the Director's functions to all public sector agency heads (or to any other member of staff of a public sector agency) and not just to Department Heads and Departmental staff (as is the case at present).

**Schedule 1 [19]** provides for the SCCB to consist of at least 4 persons appointed by the Minister (one of whom is to be appointed as the Chairperson).

**Schedule 1 [20]** makes it clear that regulations may be made for or with respect to the acquisition or disposal of goods or services for each of the public sector services.

**Schedule 1 [21]** provides for the conduct of inquiries by the Director-General of the Department of Premier and Cabinet (or any person authorised by the Director-General) into any matter relating to the administration or management of any public sector agency (other than the NSW Police Force or the service of either House of Parliament).

**Schedule 1 [22]** enables regulations of a savings or transitional nature to be made as a consequence of the proposed Act.

**Schedule 1 [23]** includes savings and transitional provisions as a consequence of the proposed Act.

## **Schedule 2      Amendment of Public Sector Management (Goods and Services) Regulation 2000**

**Schedule 2** contains the amendments to the Regulation as described in the above Overview.



New South Wales

# Public Sector Employment and Management Further Amendment Bill 2008

## Contents

---

	Page
1 Name of Act	2
2 Commencement	2
3 Amendment of Public Sector Employment and Management Act 2002 No 43	2
4 Amendment of Public Sector Management (Goods and Services) Regulation 2000	2
5 Repeal of Act	2
Schedule 1 Amendment of Public Sector Employment and Management Act 2002	3
Schedule 2 Amendment of Public Sector Management (Goods and Services) Regulation 2000	12





New South Wales

# Public Sector Employment and Management Further Amendment Bill 2008

No. , 2008

---

## A Bill for

An Act to amend the *Public Sector Employment and Management Act 2002* to make further provision with respect to public sector employment and management; and for other purposes.

---

<b>The Legislature of New South Wales enacts:</b>	1
<b>1 Name of Act</b>	2
This Act is the <i>Public Sector Employment and Management Further Amendment Act 2008</i> .	3 4
<b>2 Commencement</b>	5
This Act commences on the date of assent to this Act.	6
<b>3 Amendment of Public Sector Employment and Management Act 2002 No 43</b>	7 8
The <i>Public Sector Employment and Management Act 2002</i> is amended as set out in Schedule 1.	9 10
<b>4 Amendment of Public Sector Management (Goods and Services) Regulation 2000</b>	11 12
The <i>Public Sector Management (Goods and Services) Regulation 2000</i> is amended as set out in Schedule 2.	13 14
<b>5 Repeal of Act</b>	15
(1) This Act is repealed on the day following the day on which this Act commences.	16 17
(2) The repeal of this Act does not, because of the operation of section 30 of the <i>Interpretation Act 1987</i> , affect any amendment made by this Act.	18 19

---

<b>Schedule 1</b>	<b>Amendment of Public Sector Employment and Management Act 2002</b>	1 2
	(Section 3)	3
<b>[1] Section 19 Merit appointment</b>		4
	Omit section 19 (1) (b). Insert instead:	5
	(b) the qualifications, experience, standard of work performance and capabilities of those persons that are relevant to the performance of those duties.	6 7 8
<b>[2] Section 19 (3) and (3A)</b>		9
	Omit section 19 (3). Insert instead:	10
	(3) In deciding to appoint a person to a vacant position in a Department that has not been advertised in accordance with this Part:	11 12 13
	(a) the appropriate Department Head may only select a qualified member of staff of the Department, and	14 15
	(b) the appropriate Department Head must, from among those qualified members of staff, select the member of staff who has, in the opinion of the Department Head, the greatest merit.	16 17 18 19
	(3A) For the purposes of subsection (3), a <i>qualified member of staff of a Department</i> is:	20 21
	(a) an officer employed in the Department, or	22
	(b) a Departmental temporary employee who is employed in the Department and whose employment as such an employee in that or any other Department falls within a continuous period of at least 2 years.	23 24 25 26
<b>[3] Section 19 (4)</b>		27
	Insert “or a Departmental temporary employee” after “officer”.	28
<b>[4] Section 23 Appointments on probation</b>		29
	Insert after section 23 (1):	30
	(1A) A period of probation may be extended for such further period as the appropriate Department Head directs. Any such direction may be made at any time before the person’s appointment is confirmed or annulled under this section.	31 32 33 34

<b>[5] Sections 31 (3) (d) and 86 (6D) (c)</b>	1
Omit “relevant skills, qualifications, experience, work performance standards and personal qualities” wherever occurring.	2 3
Insert instead “qualifications, experience, standard of work performance and capabilities”.	4 5
<b>[6] Sections 33 (1), 34 (2) (d), (3) and (4), 36 (1), 37, 65 (2), 68 (2), 86 (9), 88 (1) (b), 100 (4) (c) and 121 (1) and clause 2 of Schedule 3A</b>	6 7
Omit “Premier’s Department” wherever occurring.	8
Insert instead “Department of Premier and Cabinet”.	9
<b>[7] Section 36 Delegation by Director-General</b>	10
Omit “section 15” from section 36 (2). Insert instead “section 4F”.	11
<b>[8] Section 49 Suspension of officers from duty pending decision in relation to misconduct or criminal charge</b>	12 13
Insert “(or any action that the Department Head is considering taking under section 48)” after “the criminal charge” in section 49 (1).	14 15
<b>[9] Section 54 Requirements as to citizenship or permanent residency</b>	16
Insert after section 54 (2):	17
(3) The Director of Public Employment may exempt a person from the operation of this section in any case the Director considers appropriate.	18 19 20
<b>[10] Section 86 Temporary staff transfers (secondments between agencies)</b>	21
Omit section 86 (2).	22
<b>[11] Section 86A</b>	23
Insert after section 86:	24
<b>86A Temporary staff transfers (internal secondments)</b>	25
(1) A member of staff of a public sector agency may transfer temporarily to another position or other employment within the agency with the approval of the head of the agency.	26 27 28
(2) A temporary transfer under this section may be:	29
(a) at the request, or with the consent, of the member of staff concerned ( <i>an employee-initiated temporary transfer</i> ), or	30 31
(b) at the direction of the head of the public sector agency ( <i>an employer-initiated temporary transfer</i> ).	32 33

- 
- (3) A person may be temporarily transferred under this section at the person's existing level of remuneration or at a different level of remuneration. However, an employer-initiated temporary transfer cannot be made at a lower level of remuneration. 1  
2  
3  
4
- (4) If, in the case of an employee-initiated temporary transfer, the transfer has continued for at least 2 years, the head of the public sector agency may appoint the person to a position in the agency (*the new position*) that is: 5  
6  
7  
8
- (a) at the same grade as (or at a grade similar to) the person's original position in the agency, or 9  
10
- (b) at any grade higher than the person's original position in the agency. 11  
12
- (5) The new position may, but need not, be advertised. Accordingly, if the new position is a position in the Public Service and it is not advertised, an appointment under subsection (4) is not an appointment to which section 19 applies. 13  
14  
15  
16
- (6) If the person is appointed to the new position, the head of the agency may decide to make the appointment without requiring the person to serve any period of probation. 17  
18  
19
- (7) The person may be appointed to the new position only if each of the following requirements is satisfied: 20  
21
- (a) the rate of salary or wages payable to the person at the time of appointment to the new position must not exceed the maximum rate payable for Grade 12, Administrative and Clerical Division, of the Public Service, 22  
23  
24  
25
- (b) the head of the agency must be satisfied that ongoing work is available in respect of the person in the agency, 26  
27
- (c) the head of the agency must be satisfied that the person has the qualifications, experience, standard of work performance and capabilities to enable the person to perform the duties of the new position. 28  
29  
30  
31
- (8) Without limiting subsection (7), if: 32
- (a) the grade of the new position is higher than the grade of the person's original position in the agency, and 33  
34
- (b) the new position has not been advertised, 35
- the person may be appointed to the new position only if the person has been performing duties in the agency at a grade that is the same as (or similar to) the grade of the new position and was performing those duties following some form of open competition that involved the selection of the person as the 36  
37  
38  
39  
40

---

	person who, in the opinion of the head of the agency, had the greatest merit among the candidates concerned.	1 2
(9)	In the case of an employee-initiated temporary transfer, a permanent appointment may be made to the original position of the person if:	3 4 5
	(a) the transfer has continued or is likely to continue for more than 12 months, and	6 7
	(b) the person is advised of the proposed appointment, and	8
	(c) the person is given a reasonable opportunity to terminate the transfer and return to his or her original position.	9 10
(10)	In the case of an employer-initiated temporary transfer, a permanent appointment cannot be made to the person's original position except with the consent of the person.	11 12 13
(11)	The following is to be determined in accordance with such guidelines as are issued from time to time by the Director-General of the Department of Premier and Cabinet:	14 15 16
	(a) the procedures for obtaining the consent of an employee under this section,	17 18
	(b) the circumstances in which an employer-initiated temporary transfer to a different workplace location in the State may be made.	19 20 21
(12)	In this section: <i>public sector agency</i> does not include a State owned corporation.	22 23
<b>[12]</b>	<b>Section 88 Temporary assignment of public sector staff to other agencies</b>	24 25
	Insert "or to assist in disaster recovery activities" after "event" in section 88 (2).	26 27
<b>[13]</b>	<b>Section 100 Cross-agency employment</b>	28
	Insert after section 100 (1):	29
	(1A) A separate staff position (however described) is not required to be created in each of the Departments, or in each of the public sector services, in which the person is employed.	30 31 32

---

<b>[14] Section 100A</b>	1
Insert after section 100:	2
<b>100A Appointment may be made to position pending vacation of position</b>	3 4
(1) This section applies in relation to:	5
(a) a chief executive position or senior executive position (whether or not in the Government Service), or	6 7
(b) any other position in the Government Service.	8
(2) If a person who holds any such position ( <i>the incumbent officer</i> ) notifies the person's employer in writing that the person:	9 10
(a) intends to resign or retire from the position on a specified date, or	11 12
(b) does not intend to seek re-appointment to the position on completion of the current term of employment,	13 14
the employer may, before the position becomes vacant, take action to recruit and appoint another person ( <i>the new officer</i> ) to the position.	15 16 17
(3) The appointment of the new officer may, if the instrument of appointment so provides, take effect before the incumbent officer vacates the position.	18 19 20
(4) In any such case, the incumbent officer and the new officer:	21
(a) both hold the same position, and	22
(b) may jointly exercise the functions of the position.	23
(5) If in the joint exercise of any statutory function of the position any inconsistency arises in connection with the exercise of that function, the decision of the incumbent officer in relation to the matter prevails.	24 25 26 27
(6) In this section:	28
<i>employer</i> means:	29
(a) in the case of a person who is a chief executive officer or senior executive officer—the person's employer as referred to in section 63 (2), or	30 31 32
(b) in any other case—the appropriate Division Head.	33
<b>[15] Section 101 Arrangements for use of Teaching Service staff by Departments</b>	34 35
Omit the section.	36

---

<b>[16] Section 124 Delegation by Director of Public Employment</b>	1
Omit section 124 (1). Insert instead:	2
(1) The Director of Public Employment may delegate to the head of a public sector agency or any other member of staff of a public sector agency any of the functions of the Director of Public Employment, other than this power of delegation.	3 4 5 6
<b>[17] Section 124 (3) (b)</b>	7
Omit the paragraph. Insert instead:	8
(b) a reference to a member of staff of a public sector agency includes:	9 10
(i) a reference to a person holding an appointment to or in the agency, and	11 12
(ii) a reference to a person holding an appointment to or in a body or organisation having functions that are exercised by the staff of that agency.	13 14 15
<b>[18] Section 124 (4)</b>	16
Insert after section 124 (3):	17
(4) In this section, <i>head</i> of a public sector agency and <i>public sector agency</i> have the same meanings as in section 85.	18 19
<b>[19] Section 137 Membership and procedure of Board</b>	20
Omit section 137 (1). Insert instead:	21
(1) The Board is to consist of the following members:	22
(a) a person appointed by the Minister as the Chairperson of the Board,	23 24
(b) at least 3 other persons appointed by the Minister to represent public sector agencies that use goods and services supplied in accordance with this Chapter and the regulations made under it.	25 26 27 28
<b>[20] Section 143 Regulations</b>	29
Omit “the public sector service”. Insert instead “the public sector services”.	30

---

<b>[21] Section 159A</b>	1
Insert after section 159:	2
<b>159A Inquiries by Director-General into public sector agencies</b>	3
(1) In this section:	4
<i>Director-General</i> means the Director-General of the Department of Premier and Cabinet.	5
<i>public sector agency</i> means the whole or a part of a public sector service or an employer constituting, or within, a public sector service.	6
<i>public sector service</i> does not include:	7
(a) the NSW Police Force, or	8
(b) the service of either House of Parliament, or the President or Speaker, or the President and the Speaker jointly.	9
(2) The Director-General or a person authorised by the Director-General may conduct an inquiry into any matter relating to the administration or management of a public sector agency.	10
(3) The Director-General or a person authorised by the Director-General may, for the purposes of conducting an inquiry under this section:	11
(a) enter and inspect the premises of a public sector agency, and	12
(b) require the production of, and take copies of, any documents in the custody of a member of staff of the public sector agency, and	13
(c) for the purposes of further examination, take possession of, and remove, any of those documents, and	14
(d) require a member of staff of the public sector agency to answer questions, and	15
(e) require a member of staff of the public sector agency to provide such assistance and facilities as is or are necessary to enable the Director-General or authorised person to exercise functions under this section.	16
(4) A reference in subsection (3) to a member of staff of a public sector agency includes a reference to any person who is engaged by the agency (whether directly or indirectly) under a contract for services.	17
(5) This section does not affect the operation of section 132 or 159.	18

<b>[22] Schedule 4 Savings, transitional and other provisions</b>	1
Insert at the end of clause 1 (1):	2
<i>Public Sector Employment and Management Further         Amendment Act 2008</i>	3 4
<b>[23] Schedule 4, Part 6</b>	5
Insert after Part 5:	6
<b>Part 6 Provisions consequent on enactment of Public Sector Employment and Management Further Amendment Act 2008</b>	7 8 9
<b>28 Operation of amendments</b>	10
(1) In this clause, <i>amending Act</i> means the <i>Public Sector     Employment and Management Further Amendment Act 2008</i> .	11 12
(2) <b>Existing appointments on probation</b>	13
Section 23 (1A), as inserted by the amending Act, extends to any person who was appointed to a position on probation before the commencement of the amending Act and whose appointment has not been confirmed or annulled as at that commencement.	14 15 16 17
(3) <b>Existing internal secondments</b>	18
A member of staff of a public sector agency who, immediately before the commencement of the amending Act, was the subject of a temporary transfer under section 86 to another position or other employment within that agency is, on the commencement of the amending Act, taken to have transferred to that other position or employment under section 86A (as inserted by the amending Act). Accordingly, section 86A extends to a person who is the subject of any such existing temporary transfer.	19 20 21 22 23 24 25 26
(4) <b>Existing delegations by Director of Public Employment</b>	27
The amendments to section 124 by the amending Act do not affect the operation of any delegation in force under that section immediately before the commencement of the amending Act.	28 29 30
(5) <b>Existing members of State Contracts Control Board</b>	31
A person holding office as a member of the State Contracts Control Board (including as the Chairperson of the Board) immediately before the commencement of the amending Act is, on that commencement, taken to have been appointed as a	32 33 34 35

---

member or as the Chairperson of the Board (as the case requires)	1
under section 137 (1) as substituted by the amending Act.	2
<b>(6) Inquiries into public sector agencies</b>	<b>3</b>
Section 159A, as inserted by the amending Act, extends to	4
conduct occurring (or any other matter arising) before the	5
commencement of the amending Act.	6

<b>Schedule 2</b>	<b>Amendment of Public Sector Management (Goods and Services) Regulation 2000</b>	1 2 3
	(Section 4)	4
<b>[1] Clause 18 Board may arrange supply or disposal for other public bodies</b>		5
Insert after clause 18 (4) (f):		6
(f1) a public authority of any other jurisdiction (but only if it carries on activities in this State),		7 8
<b>[2] Schedule 2 Provisions relating to procedure of Board</b>		9
Omit clause 2. Insert instead:		10
<b>2 Quorum</b>		11
The quorum for a meeting of the Board is 4 members or a majority of the members appointed for the time being (whichever is the greater).		12 13 14