

**DIRECTIVE 07/17**

Supersedes 16/08

# Commission Chief Executive Directive: Fixed Term Contracts of Employment – executive employees

## 1. Purpose

To set out the requirements and administrative arrangements where a public service officer's appointment is to be on contract for a fixed term with remuneration equal to, or higher than, the remuneration payable to a senior officer (SO).

## 2. Effective date

9 June 2017.

## 3. Legislative provisions

Sections 53, 121 and 122 of the *Public Service Act 2008* (PSA).

## 4. Application

This directive applies to the engagement of public service officers on a contract of employment for a fixed term with remuneration equal to, or higher than, the remuneration payable to a SO, except public service employees covered by an industrial instrument.

## 5. Previous references

Directives 16/08, 2/08 and 11/04.

## 6. Related information

- Directive relating to recruitment and selection.
- Directive relating to attraction and retention incentives.
- Directives relating to senior executive service (SES) and SO employment conditions.
- Approved contract templates for engagements under section 122 of the PSA.

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## 7. Requirements

7.1 Fixed term contracts are to be for a period appropriate to the special circumstances of the employment situation. A fixed term contract must not:

- a) be used for continuing and ongoing roles that should be within the SES;
- b) exceed a term of five years; or
- c) be extended through a variation to the expiry date.

7.2 If a fixed term contract reaches its expiry date, the chief executive may enter into a further contract (i.e. new contract, not an extension to original contract) with the officer for the same role, without requiring approval from the Commission Chief Executive (CCE), provided the cumulative term of all contracts does not exceed five years.



7.3 The use of fixed term contracts under a scheme, initiative or employment strategy that are not covered by another directive must be approved by the CCE.

## 8. Remuneration

8.1 In deciding to engage an officer on a fixed term contract, the chief executive must ensure that a job evaluation, benchmarking process or job market assessment is used to determine the appropriate remuneration level for the position. Remuneration and employment conditions must be transparent and justifiable.

8.2 The total level of remuneration must not exceed that payable to a senior executive (i.e. SES 4).

8.3 Remuneration increases for officers on fixed term contracts must not exceed increases for officers remunerated at a level equal to, or within, the remuneration ranges applying to:

- a) SO and senior executives – the relevant increases set out in directives relating to SO and SES employment conditions; or
- b) chief executives – the relevant increases approved by the Premier.

8.4 A chief executive may decide not to pass on a remuneration increase to an officer, without requiring approval from the CCE.

## 9. Administration

9.1 The CCE will determine any administrative arrangements required when an employment contract for a fixed term is being considered, including the standard contract(s) to be used.

9.2 Chief executives must report to the CCE (in a form required by the CCE) on the number and details of fixed term contracts approved in their agencies.

## 10. Approval for exemption

10.1 Any arrangements outside the provisions of this directive, for example:

- a) the use of a fixed term contract for a continuing and ongoing role under clause 7.1 a);
- b) the maximum term or cumulative term of contracts under clauses 7.1 b) and 7.2;
- c) remuneration above SES 4 equivalent level under clause 8.2;
- d) a remuneration increase at a higher level than that permitted under clause 8.3;
- e) any variations to the template contract approved by the CCE under clause 9.1; or
- f) under exceptional circumstances, a full exemption from compliance with this directive, must be supported by a business case submitted by the chief executive and approved by the CCE in advance of the arrangement commencing.