



DEPARTMENT OF PERSONNEL MANAGEMENT
Office of the Secretary

CIRCULAR INSTRUCTION NO. 18 OF 2024

DATE : 19 August 2024
FILE : HRACA-1-8A
TO : NATIONAL DEPARTMENTAL HEADS
: PROVINCIAL ADMINISTRATORS
: HEADS OF PUBLIC FUNDED AUTHORITIES
: ALL PUBLIC SERVANTS

SUBJECT: PAYROLL REQUIREMENTS FOR NATIONAL SHORT TERM
CONTRACTS OF EMPLOYMENT

This Circular Instruction intends to re-emphasize the requirements of the National Short-Term Contracts of Employment (STCs) as stipulated under Section 37 of the Public Services *Management Act* (1995) (as amended), and its administrative guidelines under General Order No 10 (GO 10).

There has been a widespread misinterpretation and abuse of the GO 10 process, which has undermined its intended purpose. Issues are as summarized:

1. *Abuse as a Means of Hiring:* There is a risk that short-term contracts are being used inappropriately as a primary hiring mechanism, rather than adhering to the four specific allowable circumstances under GO 10.

2. *Influx of Requests:* There is an increase in the number of requests for short-term contracts, which may be made indiscriminately and without proper justification, leading to potential overuse.

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3. *Abuse of Established Processes:* There is evidence of bypassing established business processes, such as engaging staff before receiving necessary approvals for payroll, which has led to administrative and compliance issues.

To address this, the following actions are mandated:

Effective immediately, payroll approval will only be granted for short-term employment contracts that meet the four (4) criteria outlined under GO 10. The circumstances under GO 10 include:

- 1. To provide a particular skill or service to a department or agency which is required for a short period and is not available from existing staff and/or,**
- 2. To provide staffing for a particular project of specified duration, of 12 months or less; or,**
- 3. To meet an unexpected workload which could not have been anticipated and is not expected to continue for more than a 12-month period; or,**
- 4. To meet unexpected contingencies during the Budget Year, for example, as result of legislative amendments, re-defined work arrangements, etc.**

All approved STCs request seeking payroll clearance must be justified within the above four (4) listed scenarios and accompanied by detailed work and or activity plans specified to a six-month timeframe. Extension requests to the specified timeframe can only be granted for a further six-months where justifiable reasons have been presented by the requesting agency.

Any requests for payroll approval for short-term employment contracts outside these circumstances will not be approved for payroll purposes. Any other requests for payroll hire must adhere to the selection and recruitment process outlined in General Order No 3.

Essential Service providers inclusive of Health Care Services (hospitals, health center, clinics, aid-posts); Critical Infrastructure Services (power & communications, water & sewerage); Disciplinary Services (defense, police, correctional services); and Emergency Services (national disaster, fire services) are also advised to comply to this directive. Exceptions to the above restriction will only apply to critical areas to ensure the continued provision of essential services. Engagement in such cases must be undertaken in close consultation with the Secretary for Department of Personnel

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Management and where authority and approval shall be applied within the confines of Go 10.

Consistent with this directive, any positions on agency organizational structures currently occupied through the formal STC arrangements under GO 10 must now be advertised upon completion and expiry of the existing contracts.

All agencies are urged to utilize their HR decision-making powers judiciously, ensuring that any employment decisions affecting payroll and personnel expenses are aligned with the correct processes.

Queries concerning the application and enforcement of this Circular Instruction can be made to the following persons:

| No. | Name | Designation | Directorate | Contact |
|-----|----------------------|-----------------|---------------------------|----------|
| 1 | Mrs. Rhympi Kokiva | Acting Director | National Agencies | 327 6355 |
| 2 | Mr. William Hapipai | Acting Director | New Guinea Islands Region | 327 6494 |
| 3 | Mr. Yetrus Buka | Director | Southern Region | 327 6352 |
| 4 | Ms. Josephine Konjib | Acting Director | Momase Region | 327 6369 |
| 5 | Ms. Christine Rupen | Acting Director | Highlands Region | 327 6348 |

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