



## Paroo Shire Council

<b>Council Policy</b>	
<b>Policy Name:</b>	<b>Ex Gratia Payment</b>
<b>Policy Number:</b>	HRP-014
<b>Version:</b>	1.0
<b>Commencement and Review:</b>	This policy will commence from 14 October 2025 and will be reviewed three (3) years from the commencement date.
<b>Document Owner:</b>	Director Corporate Services
<b>Approval Date:</b>	14 October 2025
<b>Meeting Resolution:</b>	M25/369

### 1 Statement of Intent

The intent of the Paroo Shire Council (Council) Ex-Gratia Payment Policy is to a framework for ensuring ex-gratia payments are appropriate, defensible and transparent.

### 2 Commencement and Review of Policy

This Policy will commence from 14 October 2025. It replaces all other Ex-Gratia Payment Policies (whether written or not).

This Policy will be reviewed three (3) years from the commencement date or earlier if deemed necessary through changes to legislation or business practice. Minor amendments that do not impact upon the intent of the Policy may be made in consultation with and approved by the Chief Executive Officer (CEO).

### 3 Definitions

Chief Executive Officer or CEO	A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position, subject to approved delegation of authority.
Council	Paroo Shire Council local government entity
Councillors	The Mayor and Councillors of Paroo Shire Council, within the meaning of the <i>Local Government Act 2009</i> .
Employee	Local government employee: a) The Chief Executive Officer; or  A person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .

Ex-Gratia payment/Special payment	A discretionary, voluntary payment made by Council without any legal or contractual obligation. These payments are made as an act of goodwill and are not an admission of liability or wrongdoing by Council.
Terminated employee	An employee who has either resigned or their employment has been terminated.
Third party	A person or organisation that is not a Council employee

## 4 Principles

### 4.1 Ex-Gratia Payment

Council recognises there may be circumstances where an ex-gratia payment would be considered reasonable for a terminated employee or third party. Council also recognises the requirement for transparency and the appropriate use of public money.

Non-cash alternatives such as counselling services may be more advantageous in relation to employee terminations, and third party matters may involve mediation as an alternative to ex-gratia payment.

### 4.2 Human Rights Commitment

Council recognises its obligations under the Human Rights Act 2019.

To the extent required, Council will give consideration to relevant Human Rights and, where applicable, apply this policy in a way that is compatible with the Human Rights Act 2019.

## 5 Scope

This Policy applies to all ex-gratia payments made by Council to an employee or a third party but does not include payments made in compliance with legislation or a contractual obligation.

For the purposes of this Policy, payments made to a supplier on behalf of an employee or third party and/or extinguishing a liability pursuant to this Policy will also be regarded as ex-gratia payments (for example: direct payment of repatriation expenses where there is no legal obligation or extinguishing an employee's obligation to repay Council for relocation expenses).

Payments made as a donation, sponsorship or as grant funding are excluded from the scope of this Policy and must be considered pursuant to the Community Grants Policy.

To the extent there is any unintended conflict between this Policy and the relevant legislation, the relevant legislation will prevail to the extent of any inconsistency.

## 6 Policy Statement

Council may offer an ex-gratia payment to an employee or a third party in circumstances where there is no legal obligation to provide compensation but is deemed appropriate as a goodwill gesture and is considered reasonable.

Council must ensure ex-gratia payments are appropriate, defensible, and transparent, and must consider alternative strategies for achieving a mutually agreeable outcome prior to making an ex-gratia payment.

Each ex-gratia payment is voluntary and made based on the facts and circumstances relevant to each matter. The making of an ex-gratia payment does not constitute an admission of liability, imply that payments could be made for other matters regardless of similarity, or that a similar value may apply to another matter.

For clarity, an ex-gratia payment made pursuant to this Policy does not create a precedent.

## **6.1 Eligibility**

An ex-gratia payment may be considered in the following circumstances:

- an employee or a third party has experienced financial loss, inconvenience, or hardship due to actions, omissions, or unforeseen events related to Council
- there is no entitlement for compensation pursuant to legislation, a contract, or otherwise due to a legal requirement
- the payment is in the best interest of maintaining goodwill, resolving disputes, or compensation for inconvenience connected to Council acts, omissions or unforeseen events
- any other exceptional circumstances identified by Council.

## **6.2 Alternative Strategies**

Prior to considering an ex-gratia payment, Council must consider alternative strategies, including but not limited to the following:

- mediation
- counselling support
- recruitment services (for example: career advice and re-training, resume` development).

## **6.3 Ex-Gratia Payment Proposals**

All ex-gratia payment proposals must be submitted in writing to the CEO.

The proposal must include the following:

- a clear justification
- address each of the items for consideration pursuant to clause 6.4
- the proposed amount
- the expected outcome.

## **6.4 Decision and Amount**

The decision to offer an ex-gratia payment must be determined with consideration of the circumstances for each matter and may include seeking advice from Council's legal team.

The value of an ex-gratia payment must be reasonable and proportionate to the facts and circumstances of each matter.

Considerations about the appropriateness and amount of an ex-gratia payment must include, but is not limited to the following:

- the specific circumstances of the matter
- whether the employee or third party has suffered any actual or perceived loss
- commercial considerations, including Council's approved budget
- reputational risks
- legal risks
- the employee's remuneration (where applicable)
- the appropriateness of using public money for the ex-gratia payment.

## **6.5 Approvals**

### **6.5.1 Ex-Gratia Payments that do not involve the CEO**

All ex-gratia payment proposals must be approved by the CEO or by Council resolution in compliance with the Financial Delegations Policy and this Policy, prior to an offer of payment or payment. The CEO must also conduct any negotiations in relation to an ex-gratia payment.

This clause 6.5.1 does not apply where the ex-gratia payment involves the CEO or a related party as the recipient, or where there is otherwise a conflict of interest regarding the ex-gratia payment and the CEO.

### **6.5.2 Ex-Gratia Payments that do involve the CEO**

All ex-gratia payments involving the CEO must comply with one of the following:

- the appropriateness and ex-gratia payment amount may be decided and approved by a Council resolution, or
- delegation to negotiate and approve an ex-gratia payment may be provided to the Mayor by Council resolution.

## **6.6 Record Keeping**

Council must keep proper records supporting each ex-gratia payment, including evidence of key decisions made and who they were made by.

Record keeping for each ex-gratia payment must include the following as a minimum:

- financial records pursuant to Council's financial records management
- justification for the payment and how the payment amount was determined
- a summary of legal advice (where obtained)
- how the payment represents an appropriate use of public money
- any other relevant details for transparency.

All documentation related to an ex-gratia payment must be filed as a Council record.

A formal record/register of all ex-gratia payments must be maintained by the CEO.

## **6.7 Confidentiality / Non-disclosure Agreement**

Council must ensure ex-gratia payments are appropriate, defensible, and transparent. However, certain aspects of a payment may be treated as confidential unless other legal requirements apply.

Non-disclosure Agreements (NDA) (or Confidentiality Agreements) may be entered into where appropriate confidentiality obligations apply to both parties. However, NDA's must not be utilised to contravene any legislative requirements or obligations, such as the *Public Interest Disclosure Act 2010* or the *Crime and Corruption Act 2021*.

## **7 Responsibilities**

The CEO and Mayor are responsible for administering and enforcing this policy.

Any requests that vary from this policy will only be permitted with written approval by the CEO or Council resolution.

## 8 Related Policies

- Conflict of Interest Policy
- Financial Delegations Policy

## 9 Other Related Documentation

- Council adopted Annual Budget
- Delegations Register
- Register of Financial Delegations

## 10 Related Legislation

- *Civil Liability Act 2003 (Qld)*
- *Crime and Corruption Act 2001 (Qld)*
- *Human Rights Act 2019 (Qld)*
- *Information Privacy Act 2009 (Qld)*
- *Local Government Act 2009 (Qld)*
- *Local Government Regulation 2012 (Qld)*
- *Public Interest Disclosure Act 2010 (Qld)*
- *Public Sector Ethics Act 1994 (Qld)*

<b>Endorsed</b>		<b>Date:</b> 14 / 10 / 2025
<b>Name:</b>	Martin Leech	
<b>Title:</b>	Chief Executive Officer, Paroo Shire Council	
<b>Signature:</b>	<i>M Leech</i>	

## Version Control

Date	Version	Meeting Resolution	Amendments / Comments
14 / 10 / 2025	1.0	M25/369	New Policy