

TREASURER'S INSTRUCTION 14

EX GRATIA PAYMENTS

Reissued: 6 July 2020

Effective: 6 July 2020

Scope

14.1 This instruction applies to all public authorities.

Objective

14.2 To specify the requirements for the approval of ex gratia payments by public authorities.

Interpretation and Definition

14.3 This instruction should be interpreted and applied in accordance with Treasurer's Instruction 1 *Interpretation and Application*.

Instruction

14.4 A Chief Executive of an administrative unit shall obtain the following approvals before an ex gratia payment, other than an ex gratia payment approved under clause 14.4A, is made:

14.4.1 where the amount is \$10,000 (inclusive of GST) or less - the responsible Minister;

14.4.2 where the amount is in excess of \$10,000 (inclusive of GST) - the Treasurer;

14.4.3 where it is proposed that the Government intervene in a matter between two parties in the public interest - Cabinet.

14.4A A Chief Executive of a public authority shall obtain approval from the Attorney-General (or, if appropriate in relation to a particular payment, their nominee) prior to making an ex gratia payment for the reimbursement (either in full or in part) of costs incurred associated with the engagement of a legal practitioner.

14.4B To avoid all doubt, only those costs incurred after 6 July 2020 may be reimbursed pursuant to clause 14.4A.

14.5 Prior to an approval being sought under clause 14.4 and 14.4A, the matter should be referred to the Crown Solicitor where:

14.5.1 it is proposed that the Government intervene in a matter between two parties in the public interest;

- 14.5.2 there is a reasonable possibility that further claims for similar payments will be received;
 - 14.5.3 where the Chief Executive or the responsible Minister considers that advice from the Crown Solicitor is required due to the complexity or uncertainty of the matter; or
 - 14.5.4 the payment is a reimbursement (either in full or in part) of costs incurred associated with the engagement of a legal practitioner.
- 14.6 In the absence of any approval to the contrary, an ex gratia payment shall be funded from an administrative unit's funds operating receipts and no increase in appropriation to that administrative unit shall be made.

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