



Ex-Gratia Payments Policy

Policy type	Administration
Function	Office of the CEO
Policy Owner	People and Safety
Effective date	25 June 2026

1. Purpose

This Policy provides guidance on the circumstances under which Cassowary Coast Regional Council (Council) may offer ex-gratia payments to individuals, groups or organisations.

2. Scope

This Policy applies to all ex-gratia payments made by Council to employees or third parties. This Policy does not cover payments required by law or under a contractual obligation.

3. Ex-Gratia Payment

3.1 What is an ex-gratia payment?


An ex-gratia payment comprises public monies and should only occur in extraordinary circumstances.

An ex-gratia payment is a discretionary, voluntary payment made by Council where there is no legal or contractual obligation or entitlement to make such payment, and where it is deemed appropriate as a goodwill gesture and is considered reasonable in all the circumstances.

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

- a) an individual or group has experienced financial loss, inconvenience, or hardship as a result of actions, omissions, or unforeseen events related to Council;
- b) where no legal entitlement exists for compensation under contract, law, or statute;
- c) the payment is in the best interest of maintaining goodwill, resolving disputes, or compensating for inconvenience connected to Council acts, omissions or unforeseen events; or
- d) any other exceptional circumstances identified by Council.

3.3 Amongst other situations, ex-gratia payments may be considered appropriate in the following circumstances:

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- a) In settlement of a dispute where payment is deemed to resolve the matter fairly. For example, at a conciliation conference, Council could agree to pay an employee an amount of money in settlement of a General Protections claim fairly, without admission of liability;
 - b) Council grants an employee two weeks' additional personal leave (i.e. payment of two weeks' wages) as a gesture of goodwill, whilst the employee receives treatment for an injury/condition;
 - c) A person or entity has suffered loss, damage, or inconvenience as a result of an administrative error or delay by Council;
 - d) As a goodwill gesture where a legal claim is unlikely to succeed but a payment is justified to maintain positive community relations; or
 - e) To assist a member of the public who has experienced hardship as a result of Council's unintended action or omission.

3.4 What is not an ex-gratia payment?

The following are not considered ex-gratia payments:

- a) Wages including payment of allowances, penalties, overtime etc.;
- b) Termination payments including notice in lieu, redundancy pay and accrued unused leave entitlements;

Exception – Council could negotiate with an employee that it pays out the employee in lieu of notice to allow the employee to mutually separate on an earlier date (rather than work out their notice period). In these circumstances, payment in lieu would be considered a benefit and would therefore be considered an ex-gratia payment. This would be different to a situation where Council decides to pay notice in lieu because it does not want the employee to work their notice period (e.g. following misconduct). This would not be considered an ex-gratia payment.

Note: Termination of an employee covered by Queensland Local Government Industry (Stream A) Award – State 2017 (Stream A Award), including a Senior Officer, as defined by Stream A Award and their contract of employment, prior to the end of the agreed end date in their maximum-term employment contract will not be considered an ex-gratia payment.

- c) Back-pay - i.e. Council makes payment to an employee to rectify a payroll error leading to an underpayment. The payment may include a reasonable amount of interest.

Exception – If Council elected to pay a 'rounded-up figure', the difference between the assessed underpayment (and any applied interest) and rounded up figure would be considered an ex-gratia payment.

- d) Reimbursements - i.e. Council makes payment to an employee as reimbursement for an expense incurred by the employee with prior authorisation from Council.
- e) Any compensation, award or judgment awarded to an applicant following a successful claim against Council (i.e. relating to litigation or a dispute).

4. Policy Statement

4.1 Council may offer ex-gratia payments to individuals, groups or organisations.

4.2 Council must ensure ex-gratia payments are:

- a) made based on the facts and circumstances relevant to each particular matter;
- b) appropriate, defensible and justified by sound reasoning;
- c) transparent and appropriately documented; and
- d) subject to proper approval and governance.

4.3 Council supports the use of alternative strategies to achieve a mutually agreeable outcome, prior to considering progressing with an ex-gratia payment.

4.4 The making of an ex-gratia payment does not:

- a) create a precedent for other claims or payments; or
- b) constitute an admission of liability on the part of either party, including Council's related entities and/or any of their officers, employees and/or agents.

5. Approval Authority

5.1 Ex-gratia payment not relating to the CEO

- a) The Chief Executive Officer ("CEO") is authorised to negotiate and authorise ex-gratia payments for Council staff and third parties up to a value of \$30,000.00.
- b) Proposed payments in excess of \$30,000.00 require a report to be provided to Council for review and decision based on the specific circumstances, including financial viability against Council budget (and if unviable how it could be accommodated in the Council budget) and precedent. This type of report must be discussed in a closed meeting of Council which shall be arranged in accordance with the requirements of Council's "Council Meeting Standing Orders and Procedures (as amended and/or replaced from time to time).

5.2 Ex-gratia payment relating to the CEO

- a) If the ex-gratia payment relates to the CEO, the ex-gratia payment must be approved by Council following the passing of a resolution at a closed meeting.
- b) Notwithstanding clause 5.3, Council may pass a resolution in a closed meeting to authorise the Mayor to negotiate and approve ex-gratia payments for the CEO up to the value of \$30,000.00.
- c) Council must adhere to the requirements set out in this Policy.
- d) The Mayor may issue a sub-delegation to authorise the negotiation of an ex-gratia payment within parameters approved by Council and in accordance with this Policy prior to the commencement of any negotiation. If this occurs, Council must approve the negotiated outcome and the ex-gratia payment.

6. Circumstances for Consideration

6.1 The decision to make an ex-gratia payment will be determined on a case-by-case basis and, where applicable and appropriate, based on independent professional advice.

6.2 Consider the following:

- a) Who has made the decision in relation to the proposed ex-gratia amount?
- b) Is the proposed ex-gratia amount reasonable and proportionate in the circumstances?
- c) Does the amount fairly reflect the nature and extent of harm, loss or inconvenience caused (if any)?
- d) Is there a risk that making the proposed ex-gratia payment may set expectations or obligations in future, similar cases?
- e) Has Council obtained legal or other professional advice to inform the payment amount?
- f) Is there an available and appropriate funding source within Council's approved budget to fund the proposed ex-gratia payment?
- g) Are there any potential reputational effects of making, or not making, the payment?
- h) If litigation or a dispute is on foot, assess whether it is in Council's best interest (legally, financially and reputationally), to resolve the matter by way of an ex-gratia settlement (without admission of liability), rather than proceeding to a hearing or final determination.

This assessment should take into account:

- The likely legal costs of continuing proceedings, including external legal fees, loss of productivity, staff time and other associated costs;
- The likelihood of an adverse outcome for Council based on the facts and evidence;
- The quantum of any potential judgment or award, and whether a negotiated ex-gratia payment would result in a more cost-effective outcome;
- The potential for negative publicity or reputational damage if the matter proceeds to a public hearing or results in an adverse finding against Council; and
- The ability to achieve a confidential and commercially orientated resolution.

7. Documentation Requirements

7.1 Prior to negotiating an ex-gratia payment, Council must complete the authorised Ex-Gratia Payment Submission Form.

7.2 Documentation to accompany an approved ex-gratia payment includes:

- a) the completed and signed Ex-Gratia Payment Submission Form and any relevant documentation;
- b) the payment date and the recipient of the payment;
- c) who approved the payment;
- d) signed NDA or Deed of Release (if applicable); and
- e) other payment details that Council considers relevant.

7.3 Council must keep the above-mentioned documentation in the following location:

- a) Employee of Council: On the employee's employment record
- b) Member of the Community: Within Councils records management system
- c) Any other organisation or entity: Within Councils records management system
- d) A formal record of all ex-gratia payments must be provided to the Manager of Finance.

8. Confidentiality and Non-Disclosure Agreements (NDAs)

8.1 While Council must ensure ex-gratia payments are appropriate, defensible, and transparent, there may be aspects of the payments that must be treated confidentially by both parties unless otherwise required by law.

8.2 Non-disclosure agreements (NDAs) (or Confidentiality Agreements) may be entered into for such payments, to ensure appropriate confidentiality obligations apply to both parties.

8.3 NDAs must not be utilised to contravene any legislative requirements or obligations, such as under the Public Interest Disclosure Act 2010 or the Crime and Corruption Act 2021.

8.4 This includes being utilised to:

- a) Prevent or discourage the making of a public interest disclosure or to report matters to the Crime and Corruption Commission, the Auditor-General, the Office of Independent Assessor, or other authorities; and/or
- b) Conceal misconduct, corrupt conduct, mal-administration or systemic issues, particularly where such matters are reportable under law.

9. Transparency and Accountability

9.1 All ex-gratia payments must be recorded in a central register maintained by the Manager of Finance. Periodic reviews every three (3) years must be conducted to ensure compliance.

Related forms, policies and procedures	Code of Conduct for Council Team Members Fraud and Corruption Control Policy Employee Conflict of Interest Policy Confidentiality Policy Queensland Privacy Principles (QPPs) Privacy Policy
Relevant legislation	<i>Public Sector Ethics Act 1994</i> <i>Crime and Corruption Act 2001</i> <i>Civil Liabilities Act 2003</i> <i>Public Interest Disclosure Act 2010</i> <i>Information Privacy Act 2009</i> <i>Local Government Act 2009</i> <i>Local Government Regulations 2012</i> <i>Industrial Relations Act 2016</i> <i>Industrial Relations Regulation 2018</i> <i>Human Rights Act 2019</i> <i>Anti-Discrimination Act 1998</i> <i>Sex Discrimination Act 1984</i> <i>Age Discrimination Act 2004</i> <i>Disability Discrimination Act 1992</i> <i>Racial Discrimination Act 1975</i> <i>Australian Human Rights Commission Act 1986</i> <i>Work Health & Safety Act 2011</i> <i>Workers Compensation and Rehabilitation Act 2003</i>
Reference and resources	Crime and Corruption Commission publication – Prevention-in-focus-Use-of-non-disclosure-agreements-what-are-the-corruption-risks-2020.pdf Cassowary Coast Regional Council Certified Agreement 2023

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