

# State Service Act 2000



## Ministerial Direction No. 21

**Title: Travel and Relocation Assistance with Respect to Appointment, Promotion or Assignment of Duties for Officers and Employees**

**Date of Effect:**

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## 1. Purpose

The Minister has determined the terms of reimbursement of costs with respect to appointment, promotion or assignment of duties involving relocation are to be assessed and approved by Heads of Agency based on reasonable and demonstrated expenses.

## 2. Legislation/Award Basis and Related Documents

- *State Service Act 2000*.
- *State Service Regulations 2001* Part 3 provides for the payment or reimbursement of relocation expenses as determined by the employer. The Minister has determined that discretion is available to Heads of Agency to meet all fair and reasonable costs associated with relocation. All costs must be demonstrated, match the circumstances associated with the relocation and ensure value for money.

## 3. Directive

This Ministerial Direction replaces Ministerial Determination No. 1 issued 1 May 2001 and Ministerial Determination No. 2 issued 1 January 2003, which are hereby revoked.

### 3.1 Interpretation

**“Minister”** means the Minister administering the *State Service Act 2000*

**“pets”** are defined as dogs, cats, birds or other domestic animals kept by the household. Pets do not include domesticated livestock, native animals or equine animals.

**“property”** means all conventional permanent types of accommodation including flats, home units and land on which to erect a dwelling, but shall not include any type of temporary accommodation such as a caravan, holiday home, house boat or similar.

**“reasonable accommodation costs”** mean costs associated with accommodation of reasonable quality in a convenient location. Hotel/Motel accommodation would normally be considered reasonable for short periods only. Serviced apartments are the preferred option in circumstances where it is not reasonable to expect a person to find suitable rented accommodation.

**“reasonable transport costs”** are where arrangements are the most reasonable cost effective means and travel is via the most direct route.

**“relevant Head of Agency”** means the person holding the office of Head of Agency in which the appointment or assignment of duties is made.

## **3.2 Application**

For the purpose of this Direction, reimbursement of reasonable expenses is discretionary and can only be made upon the Head of Agency being satisfied the expense was incurred and the appointment, promotion or assignment of duties requires relocation.

## **3.3 Payment of Relocation Expenses Principles**

A range of relocation payments are available, the payment and purposes for which they can be paid are discretionary. Particular circumstances may arise where increased flexibility is required or where certain options are more cost effective and in these cases consideration may be given to:

- whether the Agency should arrange and pay for travel, special accommodation and removal of furniture and effects including insurance.
- how payments are to be paid, e.g., as a lump sum, as an allowance or reimbursement of expenses where the Head of Agency is satisfied the expense was incurred.
- the amount to be reimbursed.

The Relocation Network [www.relocationdirectory.com.au](http://www.relocationdirectory.com.au) provides an online Directory of Australian Relocation Providers.

## **3.4 Displacement Allowance**

The amount payable as displacement allowance is a sum defined in Regulation 16(2) of the *State Service Regulations 2001* authorised by the Head of Agency as delegate of the Minister depending on individual circumstances.

## **3.5 Special Accommodation Payment – Up to 12 Weeks**

Special accommodation payment is to cover reasonable actual costs of temporary accommodation of up to but not exceeding a period of twelve (12) weeks or until a person takes up their principle place of residence whichever is sooner.

During the first three weeks of temporary accommodation the relevant Head of Agency may authorise payment of the normal travelling rate associated with overnight accommodation as set out in the Tasmanian State Service Award 2008 including meals where such meals are not included in the accommodation cost.

The payment is available from one week prior to the date upon which the officer or employee commences duty or is required to relocate from their principle residence.

A special accommodation payment in excess of 12 weeks may be approved by the relevant Head of Agency, where the Head of Agency is satisfied the

genuine attempts have been made to take up the principle place of residence. The period in excess of 12 weeks must be limited.

Agencies are to arrange accommodation with a preferred provider where a Government or Corporate rate applies. In circumstances where officers or employees make their own arrangements they are to seek agreement from their Agency on costs before booking.

### **3.6 Transport Costs**

Reasonable transport costs include: -

- economy class airfares for all officers or employees and any dependants relocating from overseas or within Australia.
- where more than one vehicle is to be relocated to the new residence, the cost of transporting or driving up to two vehicles may be deemed to be part of the removal costs. If driving, reimbursement for the distance travelled is to be on the basis of the appropriate prescribed rate contained in the Tasmanian State Service Award 2008 'occasional user rate'.
- Other agreed means of transport (including the Spirit of Tasmania).

### **3.7 Travelling by Motor Vehicle**

Where a vehicle(s) is driven to a new location, the driver must be licensed to drive in Australia and the vehicle(s) insurance is a personal responsibility for which the Crown is not liable.

### **3.8 Accommodation and Meal Expenses En Route**

Reasonable expenses incurred by the officer or employee and dependants for accommodation and meals during travel to a new location may be reimbursed where the Head of Agency is satisfied the expense was incurred.

### **3.9 Removals – Process**

Unless arrangements exist with an Agency preferred provider, officers or employees are to seek two (2) written quotes. Advice is to be provided to the Agency contact of any important aspects that may impact on the quote (such as timing of removal, storage for an agreed period or any special requirements) from professional removalist companies for the required removal and storage of their furniture and personal effects.

### **3.10 Removal Expenses relating to Pets**

Reimbursement of reasonable expenses in boarding and transporting of domestic pet(s) may be made.

### **3.11 Reimbursement of Expenses Incurred in the Sale and Purchase of Property**

Costs incidental to the sale or purchase of a dwelling where an employee relocates from one location to another may be Fringe Benefit Tax (FBT) exempt, provided that the employee sells, or proposes to sell their old dwelling within two years after the day of commencing their new employment.

In exceptional circumstances and where the Head of Agency is satisfied that genuine attempts have occurred, property sale and purchase expenses may be approved outside the two year timeframe, upon application from the employee or officer.

Prescribed expenses relating to the sale that may be reimbursed include: -

- Commission and related expenses paid to a real estate agent or other agent for fees paid to an auctioneer where the property is sold at auction.
- Professional costs and disbursements paid to a solicitor, land broker or conveyancer.
- Expenses relating to the execution or discharge of a mortgage. Where the property is subject to more than one mortgage, the costs involved with one mortgage only shall be admissible.
- Advertising expenses, not exceeding \$500.00 relating to the sale of the property where an agent was not engaged to sell the property.
- Stamp duty and other statutory charges paid to register or transfer titles and/or mortgages.
- Other expenses necessarily incurred in the sale of a property which are approved by the Controlling Authority.

Expenses relating to the purchase of a new dwelling include: -

- Professional costs and disbursements paid to a solicitor, land broker or conveyancer.
- Expenses relating to the execution or discharge of a mortgage. Where the property is subject to more than one mortgage, the costs involved with one mortgage only shall be admissible.
- Stamp duty and other statutory charges paid to register or transfer titles and/or mortgages.
- Other expenses necessarily incurred in the purchase of a property which are approved by the Controlling Authority.

Expenses incurred in the sale and purchase of property does not include: -

- Mortgage insurance costs.
- Charges incurred in arranging bridging finance.
- Auctioneers fees in respect of an unsuccessful auction.
- Council or Corporation rates, water, sewerage, garbage, electricity or similar charges.

Any relocation payments made in relation to the sale and purchase of property are paid by the employer on condition that if an officer or employee terminates their employment prior to the expiration of 12 months from commencement of employment, the officer or employee will repay a pro-rata amount in respect of the period of 12 months which is not served.

In assessing the level of payment, the Head of Agency must be satisfied the costs relate to properties of a similar comparable nature (size, location, standard, construction). A discount may be applied where an upgrade in accommodation has occurred.

### **3.12 Depreciation Allowance**

The amount payable as depreciation allowance is 2.5% of the insured value of household furniture and effects declared for carriage.

## **4. Date of Operation**

This Ministerial Direction will come into operation from the date of issue.

It will remain in force until a replacement or amending Ministerial Direction is issued.

## **5. Review**

This Ministerial Direction will be reviewed by 30 April 2011.

This Ministerial Direction is issued by authority of the Minister administering the *State Service Act 2000* pursuant to Section 14(1).



**David Bartlett**  
**Premier**

Date of Issue: 20 January 2010