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The Framework

How to use and implement the executive relocation expenses framework.

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Principles

The nature of the relocation expenses on offer in the framework will enable the attraction of the best talent, within parameters which recognise the NSW government sector's position in the labour market, around the 25th percentile.

A relocation expenses package is only available where the employer of the executive has determined that the candidate is 'outstanding' in that they are the best candidate in the recruitment field and their expertise and experience justify the expenditure on the relocation support.

A relocation expenses package is only available where the executive is to be employed in the government sector in a location other than where they currently reside and it would be unreasonable without support to require the executive to relocate.

A relocation expense package may also be available where an executive is required to relocate once employed.

Implementation of the Framework

The following apply when government sector agencies implement the Framework:

Any relocation expenses package must be in writing and pre-approved by the employer of the executive or delegate.

Any relocation expenses package must be specified in the letter of offer of employment.

Any departure from the Framework requires the approval of the Secretary, Department of Premier and Cabinet (DPC) or, if the departure relates to expenses in the case of the Secretary, DPC, the Premier.

Where a departure from the Framework has been approved in relation to an executive and an executive resigns or is terminated for misconduct or unsatisfactory performance within two years from the date of employment, the executive must repay the full amount of the relocation expenses package.

Overview of the Framework

The Framework provides for the following four categories of relocation expenses:

Reimbursement of actual relocation expenses

Pre-hire attraction assistance

Post-hire moving expenses

Post-hire commuting

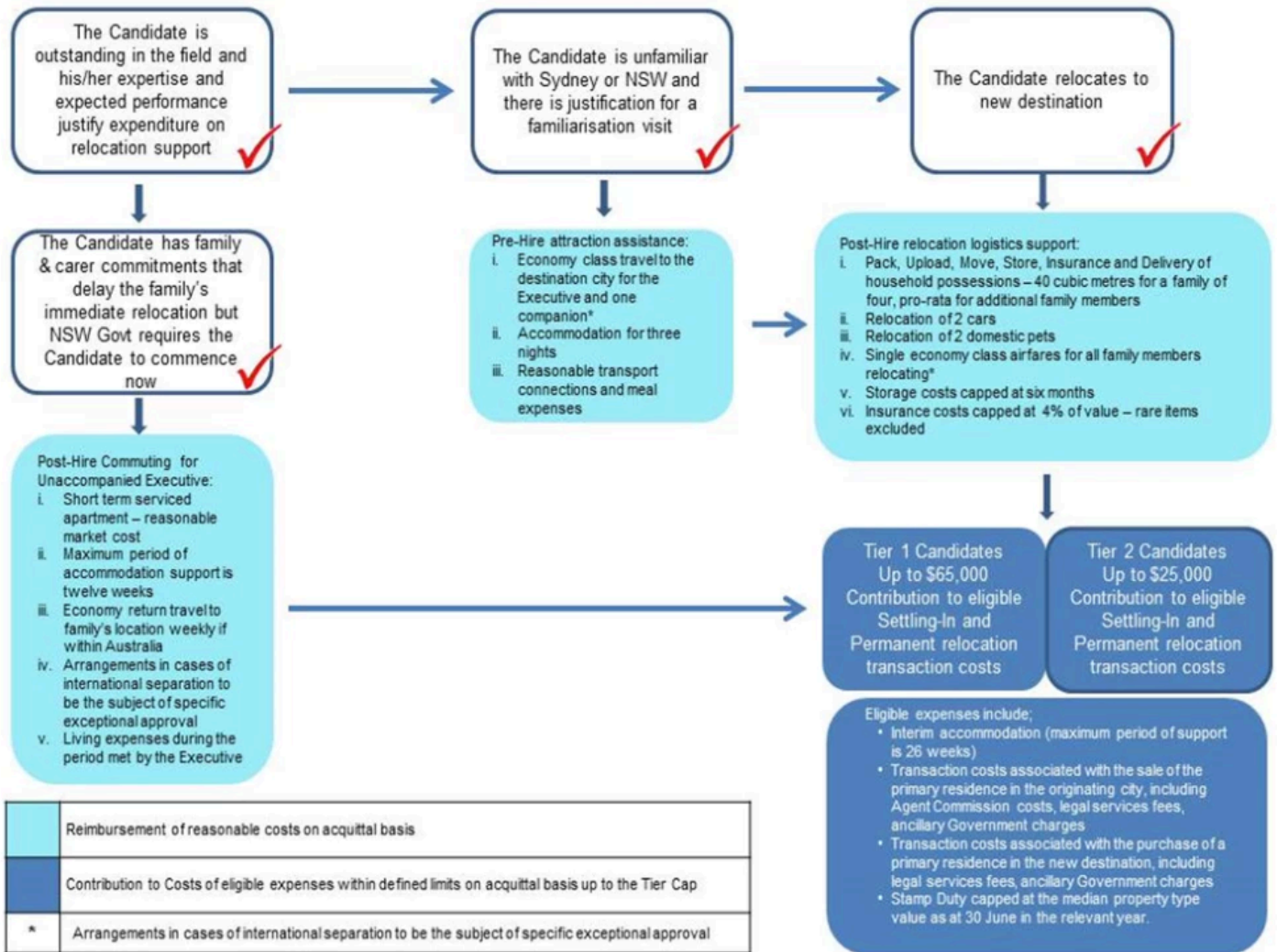
The actual expenditure associated with the above three categories will be reimbursed to the executive on an acquittal basis, provided the incurred expenses are determined as reasonable by the employer.

Contribution to relocation expenses

Post-hire relocation support

Contribution to actual expenditure for eligible expenses will be provided to the executive on an acquittal basis, up to the maximum cap for the role (up to \$65,000 for a Tier 1 role and up to \$25,000 for a Tier 2 role), provided the incurred costs are determined as reasonable by the employer.

The following is an overview of how the Framework will operate in practice.



NSW Government Sector Executive Relocation Support Framework

Reimbursement of actual relocation expenses

Pre-hire attraction assistance

This will be provided by the employer in limited cases in circumstances where the executive is unfamiliar with the destination location. Assistance provided may include economy class travel, and reasonable accommodation, transport and meal expenses.

The pre-hire visit to the destination location should be undertaken within a three day period.

These relocation expenses must be pre-approved by the employer and the executive must provide evidence of the expenses incurred.

Post-hire moving expenses

The reasonable costs to pack, upload, move, store, insure and deliver the executive's household possessions to the destination location will also be met.

This includes:

- 40 cubic metres for a family of four, pro-rata for additional family members
- Relocation of 2 cars
- Relocation of 2 domestic pets
- Single economy class airfares for all family members relocating
- Storage costs capped at six months
- Insurance costs for usual household items capped at 4% of value (Note: insurance cover for rare pieces or collections will be at the executive's expense)

These expenses must be pre-approved by the employer and the executives must provide evidence of the expenses incurred.

Post-hire commuting

In some cases an executive has commitments that will delay their family's relocation but the employer requires the executive to commence immediately.

Post-hire commuting expenses for unaccompanied executives include:

- Short term serviced apartment rental (reasonable market cost) up to maximum of 12 weeks
- Economy return travel to the family's location weekly if within Australia
- Arrangements in cases of international separation to be the subject of specific exceptional approval by the Secretary or head of a separate agency or head of a non-Public Service agency.

These expenses must be pre-approved by the employer and the executive must provide evidence of the expenses incurred.

Living expenses during the commuting period are to be met by the executive.

Post-hire relocation support – contribution to expenses

There are a range of expenses incurred in the relocation of executives associated with their accommodation which are specific to the individual's needs. Executives can only claim contribution to expenses from the list of eligible expense types as provided below, up to the maximum cap for their role.

The executive is able to exercise personal choice within the defined limits regarding how they draw down an allowance for eligible expenses, up to the cap.

Post-hire relocation support – eligible expenses

Eligible expenses	Cap
Interim accommodation – up to a maximum period 26 weeks support Transaction costs associated with the sale of the primary residence in the originating city, including agent commission costs, legal services fees and ancillary government charges	Tier 1 – up to \$65,000
Transaction costs associated with the purchase of a primary residence in the new destination, including legal services fees, ancillary government charges Stamp duty capped at the median property type value as at 30 June in the relevant year Reasonable expenses associated with relocation support services	Tier 2 – up to \$25,000

Real estate transaction costs on the sale and purchase are only to be approved by the employer where the contracts have been executed within a year of the executive’s commencement in the role.

These expenses must be pre-approved by the employer and the executive must provide evidence of the expenses incurred.

Note: Agencies should contact the Australian Taxation Office if they have any queries regarding the Fringe Benefit Tax (FBT) implications of any approved relocation expenses packages.