

Domestic Travelling and Relieving Expenses

Human Resources Policy

Effective Date: September 2009

1 PURPOSE

To outline the entitlements for domestic travelling and relieving expenses for Queensland Health employees.

2 APPLICATION

This policy applies to all Queensland Health employees except where other Queensland Health policies prescribe different arrangements, e.g. professional development packages for medical and nursing staff.

3 GUIDELINES

Guidelines may be developed to facilitate implementation of this policy. The guidelines must be consistent with this policy.

4 DELEGATION

The 'delegate' is as listed in the Queensland Health Human Resource Delegations Manual as amended from time to time.

5 REFERENCES

- *Public Service Act 2008*
- *Health Services Act 1991*
- Directive 9/09 – Domestic Travelling and Relieving Expenses
- Directive 8/09 – Motor Vehicle Allowances
- ATO Ruling TR 2004/6 and associated Tax Determinations
- GST Business Procedure on Allowances and Reimbursements
- PAYG Business Procedure No. 4 –Travel Allowances and Overtime Meal Allowances
- PAYG Business Procedure No. 10 - Mileage and Travel Allowances
- Seminar and Conference Leave - Within and Outside Australia HR Policy (preserved)
- Financial Management Practice Manual (FMPM)

6 SUPERSEDES

- IRM 2.2-13 Nurses Providing Short Term Relief to Rural and Remote Facilities - Conditions
- IRM 2.3-3 Domestic Travelling And Relieving Expenses - Health Service District Employees
- Circular ER 68/07 – Travel Directives Operative From 1 September 2007

7 POLICY

7.1 Director-General determination

The Director-General determined under section 28(2) of the *Health Services Act 1991* that the provisions, conditions and entitlements contained in the following directive applies to all health service employees from 1 September 2009:

- Directive 9/09 - Domestic Travelling and Relieving Expenses.

The Director-General also determined that any replacement directive dealing with substantially the same subject matter is also applicable to all health service employees. When a replacement directive is issued it is applicable to all Queensland Health employees from the date of effect of the directive.

7.2 Other country centres

When the destination town or city is not listed in the directive, then the other country centre rate is to be used for the allowance claim. If the amount charged for accommodation or meals exceeds the amount prescribed, an employee may claim actual expenses, as clarified in the directive (schedule B, option 3). Reimbursement claims of actual expenses are to be supported by documentation in accordance with the Financial Management Practice Manual (FMPM) section 7.6.1.

7.3 Conference and seminar attendance

The arrangements that apply to attendance at conferences and seminars are separate and outlined in Seminar and Conference Leave - Within and Outside Australia HR Policy (preserved).

7.4 Meal expense or allowance claims

Employees are not entitled to expenses or a meal allowance for a meal that is provided at departmental expense or as part of a fare including a catered meal at a conference when the cost is included in the registration fee.

7.5 Relieving for extended periods

Officers relieving or performing special duties at another centre for an extended period (i.e. a period in excess of four weeks) are not automatically entitled to the full daily travel allowance rates that apply to periods of up to four weeks. This applies from day one of an extended period.

Directive 9/09 outlines the arrangements for extended periods. These arrangements entitle employees to:

‘..... reasonable expenses as negotiated between the employee and the department provided that the employee is not out of pocket (i.e. not financially disadvantaged in comparison to remaining at the employee’s usual place of work)’.

Financially disadvantaged or out of pocket does not extend to when an employee loses eligibility for the fringe benefits tax (FBT) exemption cap (which is not an employee entitlement) during the period of relieving.

7.6 Nurses providing short term relief to rural and remote facilities

The following arrangements for domestic travel and relieving expenses apply to nurses who volunteer to provide short term relief (through the Queensland Health rural and remote nursing relief program for up to four months duration) to rural and remote facilities:

- Adequate accommodation is to be provided at no cost. When no accommodation is available within the facility, the employee is entitled to accommodation in the town.
- For periods up to four weeks the receiving district is to provide meals or pay meal allowances as prescribed in this policy.
- For periods in excess of four weeks the receiving district is to provide meals. When this is not possible, the district is to provide the costs associated with the purchasing or preparing of meals in accordance with schedule B section 4 of the directive.
- Costs for the preparation of meals or costs of food purchased by the relief nurse. This applies to the whole period.
- Travel to and from the relieving facility is to occur during work time to the equivalent of the time taken by the recommended mode of transport up to a maximum of eight hours.
- When travel is in excess of four hours by road, travel is to be provided by air at the level of economy class airfares as a minimum.
- When travel is less than four hours by road, travel is to be arranged by bus or coach unless negotiated otherwise. If rail travel is arranged then travel is to be at the first class level.
- Bookings are the responsibility of the receiving facility.
- Motor vehicle allowance as prescribed in the motor allowances directive is to be paid when a relief nurse chooses to drive to and from the receiving facility.
- The relief nurse is also to be paid for incidental expenses as prescribed in this policy. The payment of incidental expenses applies to the whole period of relief.

7.7 Taxation and salary sacrifice implications

Any payments made and benefits provided to an employee, whether in the form of reimbursements for expenses incurred, payments to a third party on behalf of an employee, or a cash payment that may be in lieu of some form of expenditure already incurred by an employee, or non-cash benefits, are to be carefully scrutinised to ensure Queensland Health's taxation obligations are met.

Such payments **are to be** correctly treated under **either** the fringe benefits tax (FBT) **or** income tax/pay as you go (PAYG) regimes. Depending on the nature of the payment/benefit and the circumstances determine whether it is the FBT regime or the income tax/PAYG regime that is applicable. Correct goods and services tax (GST) codes are also to be used.

It is important to note from a taxation perspective that there is a distinction between travelling allowances paid for relatively short term travel, and allowances paid to

employees who are located away from their usual residences for an extended period (referred to as living away from home allowances). In practical terms, the Australian Taxation Office (ATO) accepts relatively short term to mean up to 21 days.

Travelling allowances are treated under the income tax/PAYG regime, but are exempt from the PAYG withholding obligations under ATO ruling TR 2004/6 and associated tax determinations on the basis that the rate of allowances are within the ATO's reasonable amounts, and the employee does actually incur the relevant expenditure (refer to PAYG Business Procedure No.4).

Living away from home allowances (LAFHA) are treated under the FBT regime. There are a number of factors to be considered in each individual case to determine whether a particular payment is a travelling allowance or a living away from home allowance (refer PAYG Business Procedure No.4). The two components of LAFHA, accommodation and meals, are concessionally treated for FBT, and the third component, incidentals, is fully subject to FBT.

It is to be noted that any FBT liability incurred as a result of participating in salary sacrificing is the responsibility of the employee. It is recommended that employees discuss this aspect with their independent financial advisers in order to minimise the risk of incurring an FBT liability.

Further information is available from the Taxation Unit Business Procedures published on the Finance Branch intranet site. For further assistance, contact the district finance unit.

8 HISTORY

September 2009	Amended to reflect new Directive 9/09 – Domestic Travelling and Relieving Expenses and Directive 8/09 – Motor Vehicle Allowances.
December 2008	Amended to provide advice re appropriate arrangements for Other Country Centres, section 7.2. Amended to provide additional advice for Taxation and Salary Sacrifice Implications, section 7.7.
September 2008	Amended to reflect Directive 09/08.
August 2008	Developed as a result of the HR Policy Consolidation Project.