Allowances / Per Diems

Tax instalments do not have to be deducted from an allowance that is paid to an employee to cover “travel expenses” incurred in the course of employment, provided that the rate of allowance is within what the Tax Office considers to be reasonable. Amounts within the reasonable limits are not shown on the employee’s payment summary.

“Travel expenses” for these purposes means expenses in respect of accommodation, food, drink and incidentals in respect of travel within Australia but away from the employee’s ordinary place of residence, where the travel is considered in the course of performing duties as an employee or for the purposes of producing any other assessable income.

Where an employee is being seconded overseas or interstate for a period of time, please refer to the Living Away from Home Part 4.7.

Reimbursements Based on Cents per Kilometre

Where an expense payment is made that is worked out on the basis of distance travelled by the car, generally the University will not be required to withhold from the payment. If an individual has been reimbursed for more than 5,000 business kilometres in a year then the University is required to withhold on the reimbursement in excess of the first 5,000 business kilometres.