

Remote Area Holiday Transport Benefit

Section 60A and 61 of FBT Act.

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The remote area holiday concession under the FBT legislation allows employees to claim up to 50% of certain travel benefits provided to employees who live and work in a remote location and are travelling for a holiday.

This benefit is considered 'Exempt' and not reportable. It is in addition to your Living Expense and Meal Entertainment cap.

The legislative criteria to access this additional benefit include:

- The employee must be working and residing in a remote area; and
- The employee travels directly between the remote work locality and either:
 - The town where they lived before being engaged to work at that remote locality; or
 - The capital city of the state or territory in which the remote workplace is located. (Please note, Adelaide is considered the capital city of Northern Territory under the guise of the Remote Travel Benefit)
- The employee's travel is wholly or principally for the employee to take a holiday of three working days or more, and the employee returns to work in the remote area at the end of the holiday.
- For travel by the employee's family members, if the family does not live in the remote area, the travel is between a place where they meet the employee and the holiday destination, and does not relate to any period where the employee may be travelling on business.





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What percentage of a claim can be reimbursed?

- 50% of the costs incurred if the employee is travelling to the town where they lived previously.
- 50% of the costs incurred if the employee is travelling to the capital city of the state or territory in which they are working.

Where the benefit is an expense reimbursement payment, Eziway requires the following:

- Proof of the expenditure - that is, copies of receipts or invoices; and
- A remote area holiday transport declaration in a form, including where the cost is a cents per kilometre reimbursement for car travel.

What expenses can be claimed?

Transport

Commercial transport costs such as airfares, bus, train, and ferry tickets, as well as car hire costs may be included. Tax invoices and a declaration must be provided to substantiate these costs.

Ferry tickets to new destinations or 'experiences', buses within the holiday destination and trains within the holiday destination cannot be claimed as these uses of transportation are not for the sole purpose of arriving and departing from your holiday.

Where the benefit is a reimbursement for car expenses, the reimbursement is calculated by the distance travelled in your vehicle. Using the cents per kilometre method to calculate car expenses for remote area holiday transport, the reimbursement is based on a set rate per kilometre.



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For 2024-2025 the rate is:

- Where only the employee is travelling - 88 cents per kilometre; or
- Where two or more family members are travelling – 88 cents, plus the supplementary rate of 63 cents, therefore \$1.51 per kilometre.

There is no maximum number of kilometres for a remote area holiday transport reimbursement.

Accommodation and Meals

Meals and accommodation can qualify for the benefit, provided they are connected to the transport for a holiday.

Tax invoices and a declaration must be provided to substantiate these costs.

Claiming accommodation and meals under this benefit does not affect your Meal Entertainment Venue Hire Benefit of \$5,000 grossed up (\$2,649.98 taxable) per FBT year.

An example of claimable accommodation and meals would be:

- Stopping at a 'tuck shop' for a meal when driving to your holiday destination
- Having a meal at an airport awaiting your flight to your holiday destination
- Paying for accommodation when driving to your holiday destination

For further information please do not hesitate to contact your dedicated Client Service Officer.

Disclaimers:

The advice above is based upon applying the current proposed legislation, judicial authorities and Commissioner's rulings to the facts and circumstances as noted in the background facts. However, it must be recognised that there is no guarantee that such implications will last into the future or that the Commissioner will hold the same view as to how such authorities should be interpreted and applied to your facts and circumstances.

Unless specifically requested, this advice will not be updated to take account of subsequent changes to the tax legislation, case law, rulings and determinations issued by the Commissioner of Taxation or other practices of taxation authorities.

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