TR 96/21 - Income tax: reasonable allowance amounts for the 1996-1997 income year

This cover sheet is provided for information only. It does not form part of *TR 96/21 - Income tax: reasonable allowance amounts for the 1996-1997 income year*

This document has changed over time. This is a consolidated version of the ruling which was published on *26 June 1996*

Generated on: 4 June 2026, 06:36:48 AM

Taxation Ruling
Income tax: reasonable allowance amounts for the 1996-1997 income year

other Rulings on this topic

TR 95/18; TR 95/26; TR 94/23; TR 93/22; IT 2686; IT 2644

contents	para
What this Ruling is about	**1**
Class of person/arrangement	1
Date of effect	**5**
Previous Rulings	**6**
Ruling	**7**
Explanations	**28**
Examples	**64**
Index of explanations	**66**
Schedule 1	**Page 19**
Schedule 2	**Page 29**

*This Ruling, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Ruling is a public ruling and how it is binding on the Commissioner.*

What this Ruling is about

Class of person/arrangement

1. This Ruling sets out the amounts which the Commissioner of Taxation considers are reasonable for the 1996-97 year of income in relation to claims made for:

(a) overtime meal allowance expenses;

(b) domestic travel allowance expenses;

(c) travel allowance expenses for employee truck drivers; and

(d) overseas travel allowance expenses;

which are work-related expenses covered by award overtime meal allowances, domestic travel allowances and overseas travel allowances.

2. Schedule 2B, Division 2 of the *Income Tax Assessment Act 1936* (the Act) provides that the substantiation requirement to obtain written evidence does not apply to claims by employee taxpayers for expenses covered by:

(a) an overtime meal allowance paid under an industrial instrument; or

(b) a domestic travel allowance or overseas travel allowance, whether or not the allowance is paid under an industrial instrument;

if the amount of expenses claimed does not exceed the amount that the Commissioner considers reasonable (see paragraphs 13 to 27 below). This Ruling discusses the exceptions from substantiation which are available in respect of travel allowance and award overtime meal allowance expenses.

3. The deductibility of expenses is not discussed in detail in this Ruling.

4. This Ruling has application for employers in determining if tax instalments which are required to be deducted from payments of award overtime meal allowances or travel allowances, can be varied, where it is reasonable to expect that:

- expenses up to at least the amount of the allowance will be incurred by the employee;
- the expenses will be incurred for the purpose for which the allowance is paid; and
- the expenses will be tax deductible

(see Taxation Ruling IT 2583, paragraph 3).

Date of effect

5. This Ruling applies to deductions claimed for work-related expenses actually incurred during the 1996-97 income year which are covered by a travel allowance or award overtime meal allowance.

Previous Rulings

6. This Ruling updates the Reasonable Allowance Amounts previously advised in Taxation Rulings TR 95/26, TR 94/23, TR 93/22, IT 2686 and IT 2644.

Ruling

Substantiation

7. Before considering the application of the substantiation provisions to a travel allowance expense or an award overtime meal allowance expense, it is a pre-requisite that the expense is deductible under another provision of the Act (Schedule 2B, section 2-1 of the Act). An expense must actually be incurred before a claim can be made. A taxpayer cannot automatically claim a deduction just because they receive an allowance. If a deduction is claimed, the total allowance received must be returned as assessable income.

Travel allowance expense exception

8. For domestic or overseas travel allowance expenses to be considered for exception from substantiation, the relevant allowance must be paid in respect of specific travel. The allowance must be paid to cover work-related travel expenses incurred for travel away from the employee's ordinary residence, undertaken in the course of performing duties as an employee (Schedule 2B, subsection 2-2(3) of the Act). We consider the term 'travel away from the employee's ordinary residence' means the employee must sleep away from home.

9. Further, the travel allowance must be paid or payable to cover the cost of accommodation (domestic travel only) or food or drink or expenses incidental to the travel. A travel allowance which is not paid or payable to cover specific work-related travel will not be considered a travel allowance for the purposes of the exception from substantiation.

Award overtime meal allowance exception

10. For overtime meal expenses to be considered under the exception from substantiation, the award overtime meal allowance must be paid to cover food and drink in connection with overtime worked. The overtime meal allowance must be paid or payable under a law of the Commonwealth or of a State or Territory, or an award, order, determination or industrial agreement in force under such a law (Schedule 2B, section 2-10 of the Act).

11. If the travel allowance or award overtime meal allowance qualifies for exception from substantiation, it is not necessary to keep written evidence as required under Schedule 2B, Division 5 of the substantiation provisions. The objective is to relieve taxpayers, who are covered by the exception from substantiation, of the requirement to determine claims from detailed calculations based on records or receipts. However, a taxpayer may still be required to show the basis for determining the amount of their claim and that the expense was actually incurred for work-related purposes.

12. What is a reasonable basis for determining the amount of a claim which is subject to an exception from substantiation, will vary according to individual circumstances and the nature of the expense. If necessary, it is acceptable for a reasonable estimate to be the basis for claims having regard to the taxpayer's occupation and the types of expenses that would be expected to be incurred.

Overtime meal allowance expense claims

13. Overtime meal allowance expense claims up to an amount of $15 per meal are considered to be reasonable for the 1996-97 income year where the overtime meal allowance is paid under an industrial instrument. If a deduction claimed is more than the reasonable amount, the whole claim must be substantiated with written evidence, not just the excess over the reasonable amount.

Reasonable domestic and overseas travel allowance expense claims

14. A domestic or overseas travel allowance expense claim is considered to be reasonable if the amount of the claim covered by the allowance received by an employee, does not exceed the rate set for members of the Australian Public Service (APS). As the APS rates are updated at various times during the year, the amount that is considered reasonable is either the APS rate applicable at the time of travel or the rate given in this Ruling. Special rates apply to employees with annual salaries above $119,741 and to office holders covered by the Remuneration Tribunal (paragraph 21 below). See paragraph 22 below for amounts that apply to employee truck drivers.

Reasonable domestic travel allowance amounts

Daily travel allowance expense claims

15. A claim for travel expenses by an employee in receipt of a daily travel allowance (i.e., where an employee sleeps away from home) will be considered reasonable if it does not exceed the rates for the 1996-97 income year of daily travel allowances set for members of the APS. If a deduction claimed is more than the reasonable amount, the whole claim must be substantiated with written evidence, not just the excess over the reasonable amount.

Reasonable daily travel allowance amounts

16. APS daily travel allowances are payable according to salary levels and are as follows for the 1996-97 income year (as at 2 May 1996):

(i) Employee's annual salary range of $66,890 to $119,741

Place	Accomm. $	Food and drink $ Bfast Lunch Dinner 13.60 18.50 27.60	Incidentals $	Total $
Adelaide	95	59.70	16.75	171.45
Brisbane	137	59.70	16.75	213.45
Canberra	100	59.70	16.75	176.45
Darwin	129	59.70	16.75	205.45
Hobart	89	59.70	16.75	165.45
Melbourne	124	59.70	16.75	200.45
Perth	125	59.70	16.75	201.45
Sydney	141	59.70	16.75	217.45
High cost country centres	see note (a) below	59.70	16.75	see note (a) below
Tier 2 country centres (see note (b) below)	74	Bfast Lunch Dinner 10.85 11.80 24.75 47.40	16.75	138.15
Other country centres	59	47.40	16.75	123.15

(ii) **Employee's annual salary is below $66,890**

Place	Accomm. $	Food and drink $ Bfast Lunch Dinner 12.55 13.40 24.35	Incidentals $	Total $
Adelaide	71	50.30	11.80	133.10
Brisbane	103	50.30	11.80	165.10
Canberra	75	50.30	11.80	137.10
Darwin	97	50.30	11.80	159.10
Hobart	67	50.30	11.80	129.10
Melbourne	93	50.30	11.80	155.10
Perth	94	50.30	11.80	156.10
Sydney	106	50.30	11.80	168.10
High cost country centres	see note (a) below	50.30	11.80	see note (a) below
Tier 2 country centres (see note (b) below)	62	Bfast Lunch Dinner 9.50 11.80 21.90 43.20	11.80	117
Other country centres	49	43.20	11.80	104

Notes:

(a) Accommodation expenses for high cost country centres are listed in paragraph 17 of this Ruling.

(b) Tier 2 country centres are listed in paragraph 18 of this Ruling.

17. High cost country centres - accommodation expenses:

Country centre	$	**Country centre**	$
Broome	108.50	Newman	106
Cairns	70	Nhulunbuy	120.50
Christmas Island	135	Norfolk Island	95
Dampier	70	Paraburdoo	84
Exmouth	77	Pt Headland	91.50
Halls Creek	72.50	Thursday Island	108
Jabiru	123	Tom Price	77.50
Kalgoorlie	73	Weipa	80
Karratha	96.50	Wilpena	80
Kununurra	85.50	Yulara	221

18. Tier 2 country centres:

Country centre	**Country centre**
Alice Springs	Marla
Burnie	Newcastle
Derby (WA)	Northam
Devonport	Wagga Wagga
Launceston	Wollongong
Maitland	Wyndham

Part-day travel allowance amounts

19. APS employees receive an allowance in respect of travel which necessitates their being absent from their normal workplace and away from their region, on official business, for not less than 10 hours, but which does not require an overnight absence.

20. The APS part-day travel allowance is not paid for travel away from the taxpayer's ordinary residence, i.e., the travel does not involve sleeping away from home. This allowance is, therefore, not a travel allowance for the purposes of the exception from substantiation in Schedule 2B, section 2-8 of the Act. Part-day travel allowances received by members of the APS and similar allowances received by other taxpayers should be returned as assessable income. Any claim

for work-related expenses incurred will be subject to the normal substantiation requirements.

Employees with annual salaries above $119,741 or office holders covered by the Remuneration Tribunal

21. Daily domestic travel allowance expense claims made by office holders covered by the Remuneration Tribunal or by employees with annual salaries above $119,741 are considered to be reasonable if they do not exceed the rate of allowances set by the Remuneration Tribunal (see also paragraphs 47 to 49 below). As a guide, the following is an example of the rate of allowance payable within the representative salary ranges for the 1996-97 income year:

salary range	**overnight** capital city - other
$119,742 - $220,431	$320 $165

Reasonable travel allowance expense claims for employee truck drivers who receive a travel allowance

22. Amounts claimed up to the food and drink component **only** of the APS daily travel allowance payable in respect of 'other country centres' are considered to be reasonable for meal expenses of employee truck drivers who have received a travel allowance and who sleep away from home. For the 1996-97 income year, the relevant amounts are:

(a) salary up to $66,890 - $43.20 per day

(b) salary above $66,890 - $47.40 per day

(further information on truck drivers is contained in the **Explanations** section at paragraphs 50 to 57 and in Taxation Ruling TR 95/18).

Reasonable overseas travel allowance expense claims

23. The exemption from substantiation in relation to claims for work-related expenses covered by an overseas travel allowance, applies only to expenses for food, drink and incidentals, not accommodation. Where an overseas travel allowance is received, the amount claimed for work-related expenses incurred will be considered reasonable if it does not exceed the relevant food, drink and incidentals component rates for overseas travel allowance paid to members of the APS and public office holders for short term travel

(see paragraphs 58 to 63 below). If a deduction claimed is more than the reasonable amount, the whole claim must be substantiated, not just the excess over the reasonable amount.

24. The APS overseas rates identify the meals component and the incidentals component separately and are shown in Schedule 1 of this Ruling. The rates of overseas travel allowances payable as at the first fortnight in May 1996 are set out in Schedule 1 of this Ruling according to the salary ranges of the following three levels of employees:

Column 1 - Applicable to Secretaries of Departments and to employees whose salary exceeds $119,741 per annum;

Column 2 - Applicable to Senior Executive Service officers and to employees whose salary is in the range $66,890 per annum to $119,741 per annum;

Column 3 - Applicable to other officers and to employees whose salary is less than $66,890 per annum.

25. If an employee travels to a location for which the rate of overseas travel allowance paid to members of the APS and public office holders does not contain a component for food and drink (meals), a reasonable amount for meals may be added to the incidentals component payable to that employee.

26. For the purposes of this Ruling, the amount for meals that may be added to the incidentals component of an overseas travel allowance rate and be considered a reasonable claim for meals, is the amount of the meals component of the travel allowance paid to members of the APS and public office holders, depending on their salary and status, for travel within Australia. The current meals components of the domestic travel allowances paid to these employees are as follows:

- Secretaries of Departments - $63 per day (salary in excess of $119,741 per annum)
- Senior Executive Service officers - $59.70 per day (salary in range $66,890 to $119,741 per annum)
- Other officers - $50.30 per day (salary less than $66,890 per annum).

27. The requirement to add a reasonable meal component to the rate of overseas travel allowance will only apply if the employee travels to 'other countries' (i.e., a location not specifically described in Schedule 1 or 2). Examples of calculating the reasonable daily overseas meals and incidentals component are in the **Examples** section at paragraphs 64 and 65 below.

Explanations

Claiming a deduction

28. Where there is an exception from substantiation it remains a requirement of the law that the relevant expenditure covered by the award overtime meal allowance or travel allowance qualifies as a deduction under another provision of this Act (Schedule 2B, section 2-1). In the case of a domestic or overseas travel allowance this can generally be satisfied by reference to the employer's arrangements for payment of allowances. The circumstances under which the employer pays the allowance should be considered, e.g., is the allowance paid only in circumstances involving deductible travel? If the allowance is paid in circumstances involving deductible and non deductible travel, appropriate adjustments should be made.

29. The receipt of a travel allowance or an award overtime meal allowance does not automatically entitle an employee to a deduction, nor does the amount of an allowance received determine if the claim is reasonable. Only the actual amount incurred on work-related travel expenses or award overtime meal allowance expenses can be claimed as a deduction. If a deduction is claimed, the total allowance received must be returned as assessable income.

The requirement to substantiate expenses

30. Under Schedule 2B, Division 2 of the Act, a deduction is not allowable in respect of a work expense, including a meal allowance expense or travel allowance expense, **unless** the expense qualifies as a deduction under a provision of the *Income Tax Assessment Act 1936* and written evidence of the expense has been obtained and retained by the employee taxpayer.

31. Broadly speaking, written evidence is a receipt, invoice or similar document that sets out the particulars outlined in Schedule 2B, Division 5 of the Act. Where overseas or domestic travel involves being away for 6 or more nights in a row, a travel record must also be kept in accordance with Schedule 2B, Division 6. The Commissioner considers that a travel diary is an appropriate travel record for this purpose.

32. There are exceptions where written evidence or a travel record is not required. These exceptions apply to reasonable expenses claimed which are covered by a travel allowance or by an award overtime meal allowance which meet the definitions contained in the substantiation provisions. These exceptions do not apply to accommodation

expenses for overseas travel. Travel records must be kept for overseas travel where the travel involves being away for 6 or more nights in a row, even if an overseas travel allowance is paid (see paragraphs 58 and 59; also see paragraph 60 below re international flight crews).

Exception for travel allowance expenses

33. For domestic or overseas travel allowance expenses to be considered for exception from substantiation, the relevant allowance must be paid in respect of specific journeys undertaken or to be undertaken for work-related travel. The allowance must be paid to cover work-related travel expenses incurred or to be incurred for travel away from the employee's ordinary residence, undertaken in the course of performing duties as an employee (Schedule 2B, subsection 2-2(3) of the Act). The Commissioner takes the view that the term 'travel away from the employee's ordinary residence' means that the employee must sleep away from his/her home.

34. Further, the allowance must be paid to cover the cost of accommodation (domestic travel only) or food or drink or expenses incidental to the travel. A travel allowance which is not paid to cover relevant expenses for specific journeys undertaken for work-related travel will not be a travel allowance for the purposes of the exception from substantiation.

35. Examples of expenses relating to allowances that would not qualify for the exception from substantiation are where a set travel allowance amount of, say, $2,000 a year is paid regardless of how often or even whether travel is actually undertaken; or a travel allowance is paid at a certain rate per hour for hours worked even if deductible work-related travel is not undertaken. These payments do not satisfy Schedule 2B, subsection 2-2(3) as they are not travel allowances paid to cover deductible expenses for specific journeys or actual travel undertaken in the course of performing duties as an employee.

36. Further, for the substantiation exception to apply, the allowance must be a bona fide travel allowance. That is, the amount paid must be an amount that could reasonably be expected to cover accommodation, or meals or expenses incidental to the travel. A token amount of allowance, e.g., $5 a day to cover meals when travelling for work, would not be considered a payment that was expected to cover the purchase of three meals when travelling for work and would not be considered a travel allowance for the purposes of the exception from substantiation. What is a bona fide amount to cover accommodation or meals or expenses incidental to the travel

will be determined in accordance with the facts of each individual case, including the arrangements for payment of the allowance.

Exception for award overtime meal expenses

37. For overtime meal expenses to be considered under the exception from substantiation, the award overtime meal allowance must be paid to cover food and drink in connection with overtime worked. The overtime meal allowance must be paid or payable under a law of the Commonwealth or of a State or Territory, or an award, order, determination or industrial agreement in force under such a law (Schedule 2B, section 2-10 of the Act).

38. If the travel allowance expense or award overtime meal allowance expense qualifies for exception from substantiation, it is not necessary to keep written evidence as required under Schedule 2B, Division 5 of the substantiation provisions. The objective is to relieve taxpayers who are covered by the exception from substantiation, of the requirement to determine claims from detailed calculations based on records or receipts. However, a taxpayer may still be required to show the basis for determining the amount of their claim and that the expense was actually incurred for work-related purposes.

39. What is a reasonable basis for determining the amount of a claim which is subject to an exception from substantiation, will vary according to individual circumstances and the nature of the expense. If necessary, it is acceptable for a reasonable estimate to be the basis for claims having regard to the taxpayer's occupation and the types of expenses that would be expected to be incurred.

Reasonable allowance amount

40. In setting the reasonable allowance amounts, the Commissioner adopts the rates set for APS travel which take into account the costs of food, drink and accommodation in a range of regions and establishments, as well as salary levels. The Commissioner also considers special occupational groups. That is, the rates are set so as to compensate fairly an employee for the average cost of a meal or accommodation, on the basis that when the expense is incurred, the employee would be neither out of pocket nor able to retain appreciable amounts of unspent allowance.

41. Against that background, where a work-related travel allowance is received and the claim for work-related travel expenses which are covered by the allowance does not exceed rates of travel allowances set for members of the APS, the travel expenses claimed will be treated as reasonable (see paragraphs 14 to 20 and 23 to 27 above).

42. In concluding that such travel allowance expense claims are reasonable, recognition is given to the fact that APS travel allowances are only paid where an application is made and deductible work-related travel is undertaken or will be undertaken. These conditions for payment of the allowance satisfy the requirements of the definitions of 'travel allowance expense' and 'travel allowance' as contained in Schedule 2B, subsections 2-2 (2) and (3).

43. Further, recognition is given to the fact that APS travel allowance rates are based on an analysis of data obtained from annual surveys of accommodation and meal costs in capital cities and other regional centres. The resultant allowance rates reflect the average costs of food, drink and accommodation in each centre, excluding costs of sub-standard establishments on the one hand, and costs of specific high cost (usually remote) areas on the other.

44. Similarly, surveys are conducted in a range of areas and establishments to ascertain the costs of food and drink. These surveys take into account various varieties of food and drink from different establishments and regions where it would be reasonable to purchase food and drink during a meal break while working overtime. These costs are used to determine the reasonable award overtime meal allowance amount.

45. Any variation to a reasonable amount set out in this Ruling would be considered only in unique or unusual circumstances where there are strong grounds for departure from that reasonable amount. Some unique circumstances may be when a taxpayer travels for work to an area where there has been a natural disaster or where a significant event such as the Olympic Games or World Expo is being held. In these circumstances, there may be grounds for departure from the Commissioner's published reasonable amounts for those journeys.

46. The fact that a travel allowance or award overtime meal allowance amount has been approved by the Industrial Relations Commission or indexed in accordance with the CPI movement would not be considered sufficient basis for an application to vary the reasonable amounts set out in this Ruling.

Employees with annual salaries above $119,741 or office holders covered by the Remuneration Tribunal

47. Daily domestic travel allowance expense claims made by office holders covered by the Remuneration Tribunal or by employees with salary ranges above $119,741 are considered reasonable if they do not exceed the rate of allowances set by the Remuneration Tribunal (see paragraph 21 above).

48. The Tribunal inquires into the allowances to be paid to Ministers, other Members of Parliament, Officers of the Parliament, holders of Office of Justice, judges of a Federal Court and certain public office holders such as Secretaries of Departments. The Inquiry receives submissions from interested parties, examines relevant salary movements and takes account of price movements relevant to the kinds of expenditures for which the allowances are paid.

49. The Tribunal rate covers accommodation, meals and incidental expenses incurred when travelling within Australia. Where accommodation is provided, the Commissioner will accept as reasonable the amount for meals and incidentals for relevant office holders as determined by the Tribunal. If the amount for meals and incidentals is not specified, the Commissioner will accept the amount shown for meals and incidentals at paragraph 16(i) of this Ruling for salaries of $66,890 and above and paragraph 16(ii) for salaries below $66,890. Overseas travel is covered by the APS rates according to salary level or equivalent classification for relevant office holders covered by the Tribunal, as shown at Schedules 1 and 2 below.

Employee truck drivers who receive a travel allowance

50. An employee truck driver who, in the course of earning his or her income, is required to sleep away from home, is considered to be travelling for work and may incur meal expenses as part of a work-related travel expense. Truck drivers generally do not incur accommodation expenses when travelling for work as they sleep in their truck. Accommodation expenses incurred as part of work-related travel must be substantiated with written evidence as described in Schedule 2B, Division 5 of the Act. Paragraph 22 above sets out the reasonable amounts for food and drink expenses incurred by employee truck drivers as part of a travel allowance expense.

51. If an employee truck driver, who receives a travel allowance and incurs work-related meal expenses, claims as a deduction an amount greater than the amount considered to be reasonable, the whole claim, not just the excess over the reasonable amount, must be substantiated by written evidence. Travel records would also need to be kept for work-related travel of 6 or more nights in a row. Taxation Ruling TR 95/18 contains detailed information on the written evidence and travel records required to substantiate travel expenses, including meal expenses, for employee truck drivers.

52. The receipt of a travel allowance does not automatically entitle the employee truck driver to a deduction for travel expenses, nor does the amount of a travel allowance received determine if the claim is

reasonable. Only the actual amount spent on work-related travel expenses can be claimed as a deduction.

Employee truck drivers who do not receive a travel allowance

53. Deductions for work-related travel expenses claimed by employee truck drivers who sleep away from home and who do not receive a travel allowance, must be substantiated. Written evidence is required to substantiate accommodation, meal and other work-related travel expenses. Travel records must be kept for work-related travel of 6 or more nights in a row. Taxation Ruling TR 95/18 contains detailed information on the written evidence and travel records required to substantiate travel expenses for employee truck drivers.

Truck drivers who are owner-drivers

54. Schedule 2B, Division 4 of the Act refers to the substantiation of business travel expenses and requires that travel records and written evidence be kept in accordance with Schedule 2B, Division 5 and Division 6. Travel records (e.g., a travel diary or similar record of activities undertaken during the travel) must be kept for travel of 6 or more nights in a row.

55. An owner-driver who, in the course of earning his or her income, is required to sleep away from home, is considered to be travelling on business and may incur meal expenses as part of a travel expense. As owner-drivers do not receive a travel allowance, travel records and written evidence are required to substantiate accommodation, meal and other travel expenses.

56. In most cases a receipt can be obtained for the cost of a meal, for example where it is purchased from a roadhouse with dining or takeaway facilities. It is considered that it is reasonable for a truck driver to obtain receipts for meal expenses incurred in roadhouses or similar food outlets (e.g., fast food chains or diners).

57. It may not be reasonable for a truck driver to obtain receipts for some food and drink purchases from vending machines or outlets such as roadside caravans that do not normally provide receipts. These expenses are considered 'otherwise too hard to substantiate' and must be supported by a diary or similar record containing details in accordance with Schedule 2B, section 5-7.

Reasonable overseas travel allowance expense claims

58. For overseas travel covered by an allowance, reasonable amounts have been determined for food, drink and incidental expenses

only. Under Schedule 2B, Division 2, taxpayers must still obtain written evidence for accommodation expenses. A travel record must be kept if the overseas travel involves being away from the taxpayer's ordinary residence for 6 or more nights in a row.

59. A travel record is a record of activities undertaken during the travel (Schedule 2B, Division 6). It is not a record of expenses incurred during the travel. The purpose of travel records is to show which activities were undertaken in the course of producing assessable income, so that expenses or portions of those expenses can be attributed to those income-earning activities.

60. Crew members of international flights need not keep travel records (i.e., a record of activities undertaken during the travel). The exception is from keeping travel records only. It is not an exception from keeping written evidence for travel expenses if required. The exception from keeping travel records applies if:

(i) the allowance covers travel by the taxpayer as a crew member of an aircraft; and

(ii) the travel is principally outside Australia; and

(ii) the total of the expenses claimed for the travel that are covered by the allowance does not exceed the allowance received.

61. The relevant APS rates for overseas travel are detailed in the APS 'Personnel Management Manual, Volume 9, Schedule 2/C/A'. (This schedule is updated in a microfiche format on a fortnightly basis. It is available on an annual subscription basis from the Australian Government Publishing Service, GPO Box 84, CANBERRA, ACT 2601, phone toll free 132 447 or (06) 295 4411). Schedule 2/C/A comprises 3 parts, A, B and C, which deal with overseas travel allowances paid to Secretaries of Departments, Senior Executive Service officers and other officers respectively (see also paragraphs 23 to 27 and Schedules 1 and 2 of this Ruling).

62. If an employee, who receives an overseas travel allowance and incurs work-related travel expenses, claims a deduction in excess of the reasonable meal and incidentals amount, the whole claim must be substantiated, not just the excess over the reasonable amount. Written evidence must be obtained for overseas accommodation expenses regardless of whether an overseas travel allowance is received.

63. Whilst the rates of overseas allowances payable to members of the APS and public office holders are considered reasonable for overseas travel expense claims and will cover most cases, there may be limited cases where a higher amount of allowance can be accepted as reasonable, e.g., special rates set by an independent annual review by the Remuneration Tribunal.

Examples

Calculation of reasonable daily overseas travel allowance amounts

Allowance containing a meals component

64. An employee travels to Italy on business for two weeks and is paid a travel allowance of $300 per day ($100 for meals and incidentals and $200 for accommodation). The employee's annual salary is $69,000 and, at the time of travel, the exchange rate is 1213 lira to one Australian dollar ($A1). The reasonable daily overseas travel allowance expense claim is calculated as follows:

(1) At a salary of $69,000 *per annum* (pa) the daily meals and incidentals allowance payable for Italy is 135,298 lira (Schedule 1);

(2) Converting the lira allowance to Australian dollars at the exchange rate prevailing at the time of travel, provides the reasonable daily overseas travel allowance claim for meals and incidental expenses:

$$\frac{135298}{1213} = \$A111.54$$

The employee claims a deduction for meals and incidentals expenses actually incurred of $105 per day. As the employee is claiming a deduction which is less than the reasonable amount of $111.54 per day, the employee does not need to keep written evidence to substantiate expenditure on meals and incidental expenses. The employee is required, however, to maintain a travel record and to keep receipts or other documentary evidence to substantiate accommodation expenses.

Allowance without a meals component

65. An employee travels overseas on business for four days and is paid a travel allowance of $300 per day for meals, incidentals and accommodation. The employee's annual salary is $33,000. The employee travels to a country that is not listed on the schedule of APS rates. The reasonable daily overseas travel allowance expense claim is calculated as follows:

(1) At a salary of $33,000 pa the incidentals allowance payable for 'other countries' as per Schedule 1 is $27.00 Australian (there is no meals component);

(2) Add to the incidentals component of $27.00 the relevant meals component amount (described at paragraph 26), i.e., $50.30;

(3) The resulting total of $77.30 is the reasonable daily overseas travel allowance expense claim for meals and incidentals for 'other countries' at the time of travel.

As the travel allowance paid to the employee does not specify the components of the allowance, the employee is entitled to claim up to $A77.30 per day for expenses incurred on meals (i.e., food and drink) and incidentals without substantiation. Written evidence is required to substantiate any accommodation costs claimed.

SCHEDULE 1

REASONABLE OVERSEAS TRAVEL ALLOWANCE AMOUNTS

Meal and incidental allowances

The amounts listed for all countries and cities shown in the following pages of this Schedule show separate amounts for both meals and incidentals. If a country or city does not appear in this Schedule, an incidentals only component is shown at the end of the Schedule as 'other countries'. A meals component can be added to the incidentals component as shown in the example at paragraph 65 above.

Column 1 = Applicable to Secretaries of Departments and to employees whose salary exceeds $119,741 per annum.

Column 2 = Applicable to Senior Executive Service officers and to employees whose salary is in the range $66,890 to $119,741 per annum.

Column 3 = Applicable to other officers and to employees whose salary is less than $66,890 per annum.

Notes: as contained in the following pages in Schedule 1:

(a) The cost of accommodation at this locality includes breakfast. The amount specified for meals is for lunch and dinner only.

(b) See Schedule 2 for ***Rates of allowance to be applied outside listed cities of the United States of America***.

(c) The meal rates do not include tax. If officers are required to pay tax on their meals this may be reimbursed.

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
ALBANIA (note a)	57.20	46.20	43.00	34.70	39.10	31.50	USD
ALGERIA	638.00	254.00	480.00	191.00	436.00	174.00	DZD
ARGENTINA	120.80	58.10	90.80	43.70	82.50	39.70	USD
AUSTRIA	1150.00	600.00	865.00	451.00	786.00	410.00	ATS
BAHRAIN	28.20	13.40	21.20	10.10	19.30	9.20	BHD
BANGLADESH	2103.00	1944.00	1581.00	1462.00	1437.00	1329.00	BDT
BARBADOS	188.30	109.30	141.60	82.20	128.70	74.70	BBD
BELGIUM	3221.00	1374.00	2422.00	1033.00	2202.00	939.00	BEF
BELGRADE	59.30	46.90	44.60	35.30	40.50	32.10	USD
BOLIVIA	39.60	18.60	29.80	14.00	27.10	12.70	USD
BRAZIL (Rio de Janeiro and Sao Paulo) (note a)	70.10	39.00	52.70	29.00	47.90	26.40	USD
BRAZIL (elsewhere) (note a)	68.90	50.70	51.80	38.10	47.10	34.60	USD
BRUNEI	109.90	67.40	82.60	50.70	75.10	46.10	DND
BULGARIA (note a)	46.70	42.80	35.10	32.20	31.90	29.30	USD
CAMBODIA (note a)	48.40	38.80	36.40	29.20	33.10	26.50	USD

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
CANADA	80.90	54.40	60.80	40.90	55.30	37.20	CAD
CHILE	82.20	45.20	61.80	34.00	56.20	30.90	USD
CHINA, Peoples Republic of - Shanghai	842.00	305.00	633.00	229.00	575.00	208.00	CNY
CHINA, Peoples Republic of other mainland locality	737.00	269.00	554.00	202.00	504.00	184.00	CNY
CHINA, Peoples Republic of- elsewhere	2762.00	1105.00	2077.00	831.00	1888.00	755.00	TWD
COLOMBIA	75.40	41.20	56.70	31.00	51.50	28.20	USD
COOK ISLANDS	96.70	50.80	72.70	38.20	66.10	34.70	NZD
CYPRUS	44.30	23.10	33.30	17.40	30.30	15.80	CYP
CZECH Republic	2075.00	1081.00	1560.00	813.00	1418.00	739.00	CSK
DENMARK	695.30	315.60	522.80	237.30	475.30	215.70	DKK
ECUADOR	68.40	41.00	51.40	30.80	46.70	28.00	USD
EGYPT	198.60	119.60	149.30	89.90	135.70	81.70	EGP
ESTONIA (note a)	60.20	55.70	45.30	41.90	41.20	38.10	USD
ETHIOPIA	151.20	68.40	113.70	51.40	103.40	46.70	ETB

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
FIJI	79.10	36.20	59.50	27.20	54.10	24.70	FJD
FINLAND	501.80	292.70	377.30	220.10	343.00	200.10	FIM
FRANCE	693.50	374.70	521.40	281.70	474.00	256.10	FRF
FRENCH POLYNESIA	9783.00	6744.00	7356.00	5071.00	6687.00	4610.00	XPF
GERMANY (note a)	105.00	73.00	79.00	55.00	72.00	50.00	DEM
GHANA	41.90	42.80	31.50	32.20	28.60	29.30	USD
GREECE	31114.00	11262.00	23394.00	8468.00	21267.00	7698.00	GRD
HONG KONG	777.00	677.00	584.00	509.00	531.00	463.00	HKD
HUNGARY (note a)	4510.00	2531.00	3391.00	1903.00	3083.00	1730.00	HUF
ICELAND	7988.00	3127.002	6006.00	2351.00	5460.00	2137.00	ISK
INDIA (New Delhi)	948.00	757.00	713.00	569.00	648.00	517.00	INR
INDIA (elsewhere)	892.00	626.00	671.00	471.00	610.00	428.00	INR
INDONESIA (Galang)	83.80	41.10	63.00	30.90	57.30	28.10	SGD
INDONESIA (Jakarta)	157846.00	147227.00	118681.00	110697.00	107892.00	100634.00	IDR
INDONESIA (elsewhere)	112333.00	70302.00	84461.00	52859.00	76783.00	48054.00	IDR
IRAN	62643.00	26966.00	47100.00	20275.00	42818.00	18432.00	IRR
IRAQ	28.00	19.00	21.00	14.00	19.00	13.00	IQD

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
IRELAND	43.00	21.40	32.30	16.10	29.40	14.60	IEP
ISRAEL	105.10	53.20	79.00	40.00	71.80	36.40	USD
ITALY	105336.00	74610.00	79200.00	56098.00	72000.00	50998.00	ITL
JAMAICA	59.70	45.90	44.90	34.50	40.80	31.40	USD
JAPAN	15431.00	7020.00	11602.00	5278.00	10547.00	4798.00	JPY
JORDAN	43.40	23.80	32.60	17.90	29.60	16.30	JOD
KAZAKSTAN	104.10	44.00	78.30	33.10	71.20	30.10	USD
KENYA	2673.00	1693.00	2010.00	1273.00	1827.00	1157.00	KES
KIRIBATI	42.00	16.90	31.60	12.70	28.70	11.50	AUD
KOREA, Republic of	90179.00	37924.00	67804.00	28514.00	61640.00	25922.00	KRW
KUWAIT	21.30	20.50	16.00	15.40	14.50	14.00	KWD
LAOS (Vientiane) (note a)	41.20	33.10	31.00	24.90	28.20	22.60	USD
LAOS (elsewhere)	29.30	15.70	22.00	11.80	20.00	10.70	USD
LATVIA (note a)	60.40	18.90	45.40	14.20	41.30	12.90	USD
LEBANON	70.10	38.00	52.70	28.60	47.90	26.00	USD
LESOTHO	140.30	46.20	105.50	34.70	95.90	31.50	ZAR
LUXEMBOURG	3160.00	1653.00	2376.00	1243.00	2160.00	1130.00	LUF

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
MACEDONIA, The Former Yugoslav Republic of	1438.00	1036.00	1081.00	779.00	983.00	708.00	DEN
MALAYSIA (Kuala Lumpur)	175.00	118.40	131.60	89.00	119.60	80.90	MYR
MALAYSIA (elsewhere)	164.00	90.00	123.30	67.70	112.10	61.50	MYR
MALTA	23.50	10.20	17.70	7.70	16.10	7.00	MTL
MARSHALL ISLANDS	53.10	30.50	39.90	22.90	36.30	20.80	USD
MAURITIUS (note a)	1004.00	790.00	755.00	594.00	686.00	540.00	MUR
MEXICO	67.70	36.80	50.90	27.70	46.30	25.20	USD
MICRONESIA	47.70	25.80	35.90	19.40	32.60	17.60	USD
MICRONESIA -Saipan	91.80	53.70	69.00	40.40	62.70	36.70	USD
MOZAMBIQUE	46.60	30.70	35.00	23.10	31.80	21.00	USD
MYANMAR	54.10	32.20	40.70	24.20	37.00	22.00	USD
NAMIBIA	170.10	61.60	127.90	46.30	116.30	42.10	ZAR
NAURU	52.10	51.20	39.20	38.50	35.60	35.00	AUD
NEPAL	2006.00	988.00	1508.00	743.00	1371.00	675.00	NPR
NETHERLANDS	165.70	81.40	124.60	61.20	113.30	55.60	NLG
NEW CALEDONIA	7179.00	6331.00	5398.00	4760.00	4907.00	4327.00	XPF

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
NEW ZEALAND	116.80	43.90	87.80	33.00	79.80	30.00	NZD
NIGERIA	1181.00	991.00	888.00	745.00	807.00	677.00	NGN
NORWAY (note a)	564.70	396.60	424.60	298.20	386.00	271.10	NOK
OMAN	37.10	20.90	27.90	15.70	25.40	14.30	OMR
PAKISTAN	872.00	682.00	656.00	513.00	596.00	466.00	PKR
PALAU	73.30	44.20	55.40	33.20	50.40	30.20	USD
PAPUA NEW GUINEA	87.10	45.10	65.50	33.90	59.50	30.80	PGK
PARAGUAY	34.80	22.10	26.20	16.60	23.80	15.10	USD
PERU	75.90	41.80	57.10	31.40	51.90	28.50	USD
PHILIPPINES	2035.00	1041.00	1530.00	783.00	1391.00	712.00	PHP
POLAND (note a)	43.90	35.10	33.00	26.40	30.00	24.00	USD
PORTUGAL	8069.00	7738.00	6067.00	5818.00	5515.00	5289.00	PTE
QATAR	307.80	162.00	231.40	121.80	210.40	110.70	QAR
ROMANIA (note a)	30.60	48.10	23.00	36.20	20.90	32.90	USD
RUSSIA (note c)	83.90	59.90	63.10	45.00	57.40	40.90	USD
SAUDI ARABIA							
(Riyadh)	308.40	159.70	231.90	120.10	210.80	109.20	SAR

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
SAUDI ARABIA							
(elsewhere)	254.20	147.90	191.10	111.20	173.70	101.10	SAR
SINGAPORE	135.90	87.90	102.20	66.10	92.90	60.10	SGD
SOLOMON ISLANDS	155.30	54.30	116.80	40.80	106.20	37.10	SBD
SOUTH AFRICA	137.40	59.10	103.30	44.40	93.90	40.40	ZAR
SPAIN	13202.00	7577.00	9926.00	5697.00	9024.00	5179.00	ESP
SRI LANKA	2181.00	2006.00	1640.00	1508.00	1491.00	1371.00	LKR
SUDAN	4204.00	1588.00	3161.00	1194.00	2874.00	1085.00	SDD
SWAZILAND	98.20	56.40	73.80	42.40	67.10	38.50	ZAR
SWEDEN (note a)	547.00	379.00	411.00	285.00	374.00	259.00	SEK
SWITZERLAND	185.40	111.70	139.40	84.00	126.70	76.40	CHF
SYRIA	2907.00	1416.00	2186.00	1065.00	1987.00	968.00	SYP
TANZANIA	9141.00	3334.00	6873.00	2507.00	6248.00	2279.00	TZS
THAILAND	1736.00	1450.00	1305.00	1090.00	1186.00	991.00	THB
TONGA	64.60	35.20	48.60	26.50	44.20	24.10	TOP
TUNISIA	63.80	23.00	48.00	17.30	43.60	15.70	TND
TURKEY	90.00	31.10	67.70	23.40	61.50	21.30	USD

COUNTRY / CITY	COLUMN 1 Secretaries		COLUMN 2 SES		COLUMN 3 Other		CURRENCY
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
TUVALU	59.60	21.50	44.80	16.20	40.70	14.70	AUD
UGANDA (note a)	46542.00	35333.00	34994.00	26566.00	31813.00	24151.00	UGS
UNITED ARAB EMIRATES	276.80	156.50	208.10	117.70	189.20	107.00	AED
UNITED KINGDOM	56.80	34.00	42.70	25.60	38.80	23.30	GBP
USA - Anchorage	75.50	33.60	56.80	25.30	51.60	23.00	USD
USA - Guam	92.20	58.00	69.30	43.60	63.00	39.60	USD
USA - Honolulu (note b)	101.50	48.30	76.30	36.20	69.40	33.00	USD
USA - Houston (note b)	64.50	35.90	48.50	27.00	44.10	24.50	USD
USA - Los Angeles (note b)	84.00	40.00	63.00	30.00	57.00	27.00	USD
USA - Miami (note b)	64.80	30.50	48.70	22.90	44.30	20.80	USD
USA - New York (note b)	116.80	44.80	87.80	33.70	79.80	30.60	USD
USA - St Louis (note b)	70.80	34.00	53.20	25.60	48.40	23.30	USD
USA - San Francisco (note b)	79.30	39.20	59.60	29.50	54.20	26.80	USD
USA - Stratford (note b)	68.00	35.00	51.00	26.00	46.00	24.00	USD
USA - Washington DC (note b)	84.90	39.00	63.80	29.30	58.00	26.60	USD
URUGUAY (note a)	41.50	35.20	31.20	26.50	28.40	24.10	USD
VANUATU	7162.00	4611.00	5385.00	3467.00	4895.00	3152.00	VUV

COUNTRY / CITY	COLUMN 1		COLUMN 2		COLUMN 3		CURRENCY
	Secretaries		SES		Other		
	Meals	Incidentals	Meals	Incidentals	Meals	Incidentals	
VENEZUELA	57.60	24.20	43.40	18.20	39.40	16.50	USD
VIETNAM (Hanoi)	62.20	45.40	46.80	34.10	42.50	31.00	USD
VIETNAM (elsewhere)	54.90	41.00	41.30	30.80	37.50	28.00	USD
WESTERN SAMOA	129.50	54.70	97.40	41.10	88.50	37.40	WST
ZAMBIA	41.00	24.00	31.00	18.00	28.00	16.00	USD
ZIMBABWE (note a)	130.00	90.00	98.00	68.00	89.00	62.00	ZWD
OTHER COUNTRIES (amounts are for incidentals only)	N/A	36.00	N/A	27.00	N/A	24.50	AUD

SCHEDULE 2

Rates of allowance to be applied outside listed cities of the United States of America

State to which employee is travelling	Apply rate of allowance as for
Alabama, Alaska, Arkansas, Delaware, District of Columbia, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Virginia, West Virginia, Wisconsin	Washington (DC)
New York State	New York
Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Vermont.	Stratford
Missouri	St Louis
California (north of 36th Parallel), Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	San Francisco
California (south of 36th Parallel)	Los Angeles
Florida	Miami
Arizona, New Mexico, Oklahoma, Texas	Houston
Hawaii	Honolulu

Index of explanations

66. The following index refers to the paragraph references in the **Explanations** section of this Ruling or the page number of this Ruling when referring to a Schedule.

Claiming a deduction 28
The requirement to substantiate expenses 30
Exception for travel allowance expenses 33
Exception for award overtime meal expenses 37
Reasonable allowance amount 40
Employees with annual salaries above $119,741 or office holders covered by the Remuneration Tribunal 47
Employee truck drivers who receive a travel allowance 50
Employee truck drivers who do not receive a travel allowance 53
Truck drivers who are owner-drivers 54
Reasonable overseas travel allowance expense claims 58
Examples of calculating reasonable overseas travel allowance amount where:
- allowance contains a meals component 64
- allowance without a meals component 65
Reasonable overseas travel allowance amounts shown at:
- Schedule 1 Page 19
- Schedule 2 Page 29

Commissioner of Taxation

26 June 1996

ISSN 1039 - 0731

ATO references
NO NAT 95/8179-6
NAT 96/4347-8
BO

Not previously released in draft form

Price $3.10

FOI index detail
reference number
I 1017037

subject references
- accommodation allowances
- allowances

- award overtime and allowances
- domestic travel allowance
- exception from substantiation
- judges
- meal allowance
- meals
- members of parliament
- overseas travel allowance
- overseas travel expenses
- overtime meal allowances
- owner drivers
- parliamentarians
- reasonable allowances
- reasonable claim
- substantiation
- travel
- travel allowances
- travel diary
- travel expenses
- travel record
- truck drivers
- work-related expense
- written evidence

legislative references
- ITAA Schedule 2B

case references