Fringe Benefits Tax - University Travel – Private Travel

Examples

1. I am travelling interstate for a 3 day conference, Monday – Wednesday and would otherwise travel home on Wednesday but I wish to travel home on Friday and my supervisor has approved the extra days of leave that this would entail. The primary purpose of the trip is University business.

No FBT will be incurred because the private days do not exceed the business days (3 business days and 2 private days). In this example staff would be required to apply for 2 days annual leave or LSL.

2. I am travelling interstate for a 3 day conference Monday - Wednesday and would otherwise travel home on Wednesday but I wish to travel home on the following Sunday evening and my supervisor has approved the extra days of leave that this would entail.

Where private days exceed business days, it is difficult to sustain the argument that the prime purpose is for business. Therefore, FBT will be incurred as the private days exceed the business days. (ie 3 business days and 4 private days). In this example staff would be required to apply for 2 days annual leave or LSL.

Note that the assessment of private days does not change where the private days are on a weekend.

(a) Flight cost = $330 (including GST)
(b) Private component = 57% (4 of 7 days)

Private component: (a) x (b) = 330 x 57%

Private component to be reimbursed by the employee = $188.10 (including GST).

3. I’ve planned a 12 day private trip to New Zealand and I’ve now discovered that there is a 5 day conference at the same time. I would like the University to reimburse me the cost of my trip to New Zealand.

As the predominant purpose of this trip is a personal holiday, FBT will be incurred if the University chooses to reimburse the staff member the full amount of the flights to New Zealand. FBT wouldn't be incurred if only the extra costs of attending the conference were reimbursed (ie. cost of any travel required from the holiday destination to the conference venue and reasonable accommodation for the conference duration). In this example the University may choose to reimburse the business component of the airfare. In addition staff would be required to apply for annual leave or LSL for the days during the working week as part of the private component of this travel.

(a) Flight Cost = $1,000
(b) Private component = 58% (7 of 12 days)

Private component: (a) x (b) = 1,000 x 58%

Private component = $580.00

Business component of the airfare = $420.00
(The University may choose to reimburse this component of the airfare)
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4. I have a 2 day conference in London on Monday – Tuesday and then a 2 day conference in the following week in Paris on Thursday – Friday. I’m leaving Australia on Saturday and arriving in England on Sunday and then leave Paris on the following Saturday after the second conference arriving home on Sunday. If it weren’t for the conferences, I wouldn’t be travelling.

4 days are spent travelling and 4 days at conferences. Away for 16 days in total – therefore 8 private days. As the predominant purpose is University business and the private days do not exceed the business days and they are unavoidable between business components (ie it doesn’t make sense to travel back to Australia between conferences), no FBT would be incurred. In this example staff would be required to apply for 6 days annual leave or LSL for the days during the working week as part of the private component of this travel.

5. I am attending a 5 day conference in London and am having another 4 days annual leave in the Greek Islands on my way home. I am paying for the flights from London to Greece, but the University is paying for the flights to London and home from Greece.

FBT would not be incurred provided the return flight from Greece doesn’t cost more than the return flight from the business destination (ie London). The staff member should obtain documentation that verifies that the change in departure destination does not cost extra. In this example staff would be required to apply for annual leave or LSL for the days during the working week as part of the private component of this travel.

Contact for enquiries
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