

# FACT SHEET

## Fringe Benefits Tax (FBT) and Travel Day Counts

### Why must I classify and count the days of my trip?

The Australian Taxation Office (ATO) requires that all travel undertaken by an employee and funded or sanctioned by the employer must be primarily for business purposes.

Travel costs incurred by an employer on behalf of an employee which are for private purposes impose a Fringe benefits Tax liability on the employer.

A secondary test to the ATO's primary travel purpose test is required to be undertaken to determine whether the number of private days taken in a trip will change the primary purpose of the trip away from business purposes towards the trip being classified for private purposes.

For the purpose of undertaking this secondary test, when completing an [Itinerary Day Count Estimator](#) or a [Travel Diary](#), the individual days of the trip undertaken by an employee must be allocated a 'day type'.

The day types which days during a trip are required to be allocated as are either: a travel day; a travel physical recovery day; a business day; a private day; or a non-business weekend day.

### What is a travel day?

A travel day is any day spent travelling to or from a business activity location, a travel day is counted as a business day.

A maximum of two (2) travel days is accepted by the University for continuous travel from or to Australia.

Any travel days in excess of two (2) days for travel to or from Australia are to be counted as private days unless it can be evidenced by the employee that there are or were exceptional circumstances requiring additional travel days.

Exceptional circumstances can include but are not limited to:

- medical conditions of the traveller documented with and accepted by the University's Human Resources Section and the University's insurers, prior to the booking of flights;
- time taken for shuttle flights within a destination country which are additional to the Australia return airfare to get to or from a business location;
- travel delays between business locations due to circumstances outside of the traveller's control, including but not limited to un-announced strikes, natural disasters, civil disorder, closure of routes or the re-scheduling or cancellation of services by a carrier.

Travel days as part of a trip to or from an annual leave, recreation leave or private day location are classified as private days and the costs associated with this travel must be paid for by the staff member from personal after tax funds direct to the service provider.

### What is a travel physical recovery day?

A travel physical recovery is the day immediately following the completion of continuous international air travel from or to Australia, used by the University member for rest and physical recovery from the rigours of the air travel.

Travel physical recovery days are not available for:

- travel between countries outside of Australia; or
- for domestic travel within a destination country; or
- for domestic travel within Australia; or
- travel to or from New Zealand.

Travel physical recovery days are not available to be held over to later days in a trip.

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### What is a business day while travelling?

A business day while travelling is any day during travel on which University business related activities are undertaken by a University member for an aggregate period equal to or exceeding 3 hours, not including meal times and rest breaks.

University business is any activity of a business, educational or professional nature sanctioned by the University.

Examples of business related activities include but are not limited to: attending a business related conference; presenting a paper at a business related conference; undertaking academic research; undertaking teaching and lecturing duties and attending business meetings.

### What is a private day while travelling?

A private day while travelling is any day on which a University member undertakes less than three (3) hours University business, not including meal and rest breaks.

Travel time to or from a private day location is private time and the cost of the travel to and from the location is a private cost.

The University close down period, days of recreation leave, days of time off in lieu and flexi days are all classified as private days.

A staff member planning a trip which includes private days must use their accrued annual leave for the private days and must apply to the Human Resources Section of the University to use their annual leave.

If a staff member does not have enough accrued annual leave days to cover any private days in a trip, the private days will need to be taken as un-paid leave days.

### What is a non-business weekend day while travelling?

A non-business weekend day is any day of the week normally taken by a University member as a non-working day.

Typically, a non-working day will be a Saturday or Sunday, but can include an otherwise standard working day, i.e. Mon-Fri, on which a University member is not ordinarily employed by the University.

Non-working weekend days are excluded from the travel day count test and are not counted as either a private day or a business day.

Where University business is undertaken for 3 hours or more on an otherwise non-business weekend day, that non-business weekend day is counted as a business day for travel day count purposes.

Where a non-business weekend day is used as a business day during a trip, the non-working day is not available to be held over to be used on a later standard working day in the trip.

### Itinerary Day Count Estimator

An [Itinerary Day Count Estimator](#) ready reckoner is available to University members to determine the day counts for a trip.

The Estimator is a MS Excel spreadsheet file available from the [Finance@FedUni>Taxation>Fringe Benefits Tax>Forms and Guidelines](#) section of the University website.

### Associated Policy, Procedures, Forms, Fact Sheets and Information

[Travel Policy](#)

[Travel Procedure](#)

[Travel Diary](#)

[Itinerary Day Count Estimator](#)

[Travel Diary Fact Sheet](#)

[Business Travel Insurance Policy Wording](#)

[Business Travel Insurance Certificate of Currency](#)