



Policy

Travel Expenses

Responsible Officer: General Manager

Date Adopted: 21 May 2019

Review Date: 21 October 2021

1. Objectives

- 1.1. The aim of this Policy is to describe King Island Council's (Council) commitment to and objectives around managing risk.
- 1.2. Council acknowledges the moral, legal and financial responsibility that is inherent in managing risk across its operations.
- 1.3 The policy is intended to apply to all travel expenses incurred in the performance of Council duties.

2. Background

- 2.1 This policy was originally developed and published as a Guideline within Council's approved Credit Card Policy (October 2018).
- 2.2 Council has now formalised those Guidelines as a separate Policy to ensure they are easily accessible and apply to all forms of purchases.

3. Scope

- 3.1 This policy applies to all Councillors and employees of King Island Council and other persons in the workplace.
- 3.2 This policy applies to all methods of purchase used in Council including personal reimbursements.

4. Policy

- 4.1 Travel expenses are expenses incurred in the course of authorised work-related travel. They include accommodation, transport, meals, and expenses incidental to travel.
- 4.2 Credit cards are ideally suited to cater for expenses incurred while travelling, although other payment methods used by Council are permissible as long as documented evidence is provided.
- 4.3 Travel expenses **must not** include:
 - Any expenses for unauthorised travel, especially flights and accommodation;
 - Entertainment, defined below, including alcoholic beverages;
 - Expenses for any other person who is not a council employee;
 - Membership subscriptions for airline clubs or loyalty programs;
 - Minibar purchases, in-room movies and other similar expenses of a private nature.
- 4.4 Travel expenses must be reasonable and an efficient use of public funds. The Australian Taxation Office Tax Determination TD 2017/19¹ provides guidance on 'reasonable amounts' for overnight accommodation, meals and incidental expenses for taxation purposes.

¹ See ATO TD 2017/19:

<https://www.ato.gov.au/law/view/document?DocID=TXD/TD201719/NAT/ATO/00001>



Note that the ATO 'reasonable amounts' are for *taxation purposes* and are a guide only for setting reasonable amounts in Council. This means that while travel expenses of the ATO reasonable amounts and below can be considered reasonable and justified, travel expenses in excess of these amounts must be justified or the excess paid by the traveller as a personal expense.

4.5 Councillors and staff members must use the following guidelines when arranging work-related travel and incurring travel expenses:

- (1) Ensure your travel is budgeted for and approved in advance.
- (2) Have an officer experienced with applying the ATO reasonable amounts determine your travel budget or book and pay for your travel.
- (3) Travel expenses:
 - (a) below the ATO reasonable amounts are justified for authorised travel and do not need approval;
 - (b) in excess of the ATO reasonable amount must be justified by the staff member or Councillor or the excess paid by the that person personally. This means staff members or Councillors can pay extra, at their own expense, for upgrading travel services.
- (4) Travel should be as economical and efficient as is reasonable. This means preferring cheaper modes of travel, such as economy class, where time and availability allow.

It does not necessarily preclude upgraded travel services where it can be justified – for example, business class flights purchased at low price (relative to economy travel), or with reward points, or with the excess cost paid personally or, if they were the only available seats for necessary travel.
- (5) If you are in doubt about any travel purchase, seek guidance or written approval from your supervisor or Council's HR Advisor.

POLICY VERSION AND REVISION INFORMATION

Policy Authorised by: General Manager

Policy Maintained by: Senior Manager Finance & Community Services

Policy Commencement: 21 May 2019

Policy Review: 21 October 2021



KING ISLAND COUNCIL

Acknowledgement

I acknowledge that I have read this policy and will comply where applicable with any of the policy content and procedures. Further, I acknowledge that I may be subject to disciplinary action, which may include termination, where I fail to comply with this policy.

Name:

Signed:

Date:

