

Vehicle and Travel Allowances in the Modern Pastoral Award 2010: Frequently Asked Questions

Questions relate to the Vehicle allowance:

Staff driving themselves at your request?

Question: If I am running a suburban job and I ask the worker to travel in their own car from their home to the shed, what do I have to pay?

Answer: You need to pay them the *Vehicle Allowance Rate* (currently \$0.75 per kilometre), for each kilometre travelled from their home to the shed and back via the most direct route.

If staff are driving others?

Question: If I ask them to collect other workers on the way, who gets paid and for what?

Answer: The owner of the vehicle is compensated for the total distance travelled from their home, to the co-workers place(s) of residence, to the shed and back to their home via the shortest route possible.

Driving from their home to a pick up point?

Question: If I provide transport for the worker from my house or a 'pick-up point', say the club in town, and then drive them to the shed and return them back to the 'pick-up point', do I have to pay them for their travel from their home to the pick-up point.?

Answer: No. You are only required to pay them when you have asked them to drive themselves to the shed and return.

Is it for everyone?

Question: Is the *Vehicle Allowance* available to all staff?

Answer: Yes. All staff need to be compensated for the vehicle expense incurred at your request regardless if they are a shed hand, shearer or classer. The *Vehicle Allowance* should be seen as an 'expense reimbursement'; therefore if the staff has incurred the expense at your request, they need to be reimbursed.

Different rates?

Question: If the staff agree to a more reasonable rate, say \$0.50 per km, is that OK?

Answer: No. Any agreements outside of the law are null and void, which includes industrial agreements. In other words you cannot make an agreement or contract which breaches the law.

They want to take their own car?

Question: If I have offered my staff member a lift or organised someone else to drive them but they choose to drive themselves to the job, do I have to pay them?

Answer: No. This is where the 'by Agreement' term comes into effect. You both have to 'agree' to the proposition and because you have offered them a 'cost-free' alternative you have no obligation to pay them.

Questions relating to the Travel Allowance

What is the Travel Allowance?

Question: Does anyone get paid if they are a passenger in the 'lift' I have provided or organised for them?

Answer: Yes. Shearers and crutchers are paid the *Travelling Allowance* (currently \$12.64 per day) if they travel more than 130km in the day, regardless if they are the driver or not. It is to compensate them for the excessive travel time. Shedhands, woolpressers do not receive this payment. Wool classers receive a *Travelling Allowance* of \$2.61 per hour for travel regardless of the distance.

Can they receive both?

Question: If the shearer drove their own vehicle at my request and the job was 70km from town, would I have to pay them both the *Vehicle Allowance* and the *Travel Allowance*.

Answer: Yes. You would need to pay them the *Vehicle Allowance* rate times 140km ($\$0.75 \times 140$) plus the daily *Travel Allowance* \$12.64.

Question: If the shearer drove their own vehicle at my request and the job was 60km from town, would I have to pay them both the *Vehicle Allowance* and the *Travel Allowance*.

Answer: No. You would need to only pay them the *Vehicle Allowance* rate times 120km ($\$0.75 \times 120$) but not the daily *Travel Allowance*.

Is it taxable for the worker?

Question: Do I need to 'Withhold tax' from the *Vehicle allowance* and the *Travel Allowance*?

Answer: You do not need to withhold tax from the *Vehicle allowance* because the staff will have a tax deductible expense to offset this on their personal tax return, but you should withhold tax from the *Travel Allowance* as there is no expense to be deducted against this income.

Do I pay workers Comp, Super and Payroll tax on it?

Question: Do I need to pay workers Comp premiums, super or payroll tax on the *Vehicle Allowance* and the *Travel Allowance*?

Answer: Similarly to the withholding tax answers, you do not need to include the *Vehicle Allowance* from your "Gross Remuneration" for workers Comp premiums, super or payroll tax calculations as they are effectively an Expense reimbursement but you would need to include the *Travel Allowance* as it forms part of the Shearer or crutcher's income.

But no one in our area pays travel?

Question: No one in our area pays travel, so why should I?

Answer: It is similar to the concept that "everyone on the highway breaks the speed limit" - it is very easy to be caught is why. Just one employee needs to go to the Fairwork Ombudsman and you will have no defence. It is very easy for your competitor to 'encourage' one of your ex-workers to make the complaint.

Camp Out (Expeditionary) Jobs

Is there Travel on Camp-out jobs?

Question: If I am running a "camp-out" job – Does anyone receive the *Vehicle Allowance* (\$0.75 per km)?

Answer: The only worker eligible for this payment is the Woolclasser. The Woolclasser must be reimbursed for all fares, or be compensated for motor vehicle expenses at the *Vehicle Allowance* rate (currently \$0.75 per kilometre) to travel, by the most direct route to and from the shed, at the commencement and conclusion of the shed, **from the closest of:**

1. the employee's place of residence;
2. the employee's previous place of work; or
3. the place of engagement (which can be the contractor's home town)