



Travel in excess of 21 days and the Living Away From Home Allowance 14 July 2008

Recently the AFPA met with Employee Relations and AFP Tax Team in order to raise members concerns about travel in excess of 21 days being deemed a temporary assignment of duties and therefore attracting the Living Away From Home Allowance (LAFHA) rather than the Travel Allowance. The AFPA believes that if the LAFHA applies at all, it should be determined on a case by case basis.

The LAFHA is an allowance which exists to compensate employees who incurs additional expenses because they are required to live away from home. The AFP is applying a tax ruling which states:

“As a practical general rule, where the period away does not exceed 21 days the allowance will be treated as a travelling allowance rather than a living away from home allowance.”

The AFP has made a policy decision to apply this tax ruling to all AFP employees travelling for longer than 21 days. The AFPA believes that due to the unique operational requirements and travel conditions of AFP employees the LAFHA may not be an appropriate allowance.

If the LAFHA does apply, the AFPA believes that the tax ruling outlines a discretionary, general rule which is not meant to be applied so strictly. The AFPA argues that it is necessary to determine which allowance should be payable on a case by case basis taking into account all the circumstances of the travel. The AFPA hopes to work with the AFP to develop objective criteria to assess each case if the LAFHA remains part of AFP travel arrangements.

The AFPA is currently collating information from all the other police forces in the country through the Police Federation of Australia and also the Australian Defence Force in order to ascertain their approach to travel related matters. Based on this information we will be able to make a formal submission to the AFP regarding the LAFHA.

The decision to apply this ruling has particularly affected members who travel for less than 21 days and their trip is extended beyond 21 days for operational reasons. It has also affected those who have multiple separate trips under the same operational code name. In some cases, these trips are being aggregated and determined to be longer than 21 days. In both scenarios members are being subject to retrieval action for overpayment. The AFP has agreed to review individual cases where this has occurred.

If you have any concerns about the issues raised in this bulletin or other CA 2007 – 2011 queries please contact your local representatives or the AFPA National Office on afpa.industrial@afpa.org.au for more information.