



REMUNERATION TRIBUNAL SECRETARIAT

Changes to private motor vehicle allowance from 1 July 2016

In the 2015 Federal Budget, the government announced its intention to change the methods by which individuals can claim motor vehicle expenses in their tax return.

The change included the replacement of the three rates available under the cents per kilometre method (77 cents, 76 cents and 65 cents) with a single rate (66 cents).

The *Tax and Superannuation Laws Amendment (2015 Measures No. 5) Act 2015* received Royal Assent in November 2015 enabling these changes to come into effect from 1 July 2015.

The Tribunal decided at its February 2016 meeting to amend the motor vehicle allowance provisions in Determination 2015/11 *Official Travel for Office Holders* to replace the existing three (cents per kilometre) rates with a single rate of 66 cents, with effect from the commencement of the next financial year, i.e. 1 July 2016.

Changes will also be made to Determination 2012/04: *Members of Parliament – Entitlements* to replace the current references to the application of APS rates with a single private vehicle allowance rate of 66 cents per kilometre, also with effect from 1 July 2016.

The rates and provisions currently specified in those determinations will continue to apply to office holders and Parliamentarians until 30 June 2016.

The new determinations to give effect to this decision will be made in June 2016. Agencies and office holders may wish to use this intervening period to ready systems and claim processes to reflect the move to one rate from 1 July 2016.

As advised in the [Tribunal's June 2015 statement](#), office holders and paying authorities will need to have regard to Australian Taxation Office (ATO) advice about taxation obligations during 2015/16 where rates above 66 cents per kilometre have been paid.

Remuneration Tribunal Secretariat
29 February 2016