

# Grant Thornton Submission – FBT record keeping simplification draft legislation package

(received by email on 28/09/2022)

Thankyou for organising the Webex meeting to discuss this today.  
A summary of my comments, as requested, follows.

1. In relation to travel diaries specifically - the ATO currently accepts various forms of substantiation as meeting the technical requirements for a travel diary. For example MT 2038 mentions various documents (travel itinerary, conference schedule, etc.) that could be used for this purpose. The proposed new rules for travel diaries don't seem to create any different outcome from the current situation. I think that any new rules need to make a significant change from the current scenario and need to make the record keeping process easier for employers, as per the intention of these changes. I suggest that it is not the specific type of document that is the issue here, but rather, the specific level of detail required in relation to the various pieces of information to be gathered. For instance, how specific do the details regarding the place, time, duration and nature of the activity need to be? Where an employer sends an employee to a conference, a high level conference itinerary should cover this information adequately. The itinerary, along with the employer's willingness to pay for the associated costs, should be enough of an indication of the business purpose of the activity.
2. For relocation transport declarations – the law only requires a declaration that sets out the particulars of the car and the kilometres travelled. I suggest the current ATO approved form and the proposed Legislative Instrument both ask for more details that are actually necessary. So again, it is the level of detail requested that is the issue. In my view, 'the particulars of the car' could be interpreted as a very high level requirement (perhaps even that it is simply a car held by the employee), and other than the number of kilometres travelled, none of the other information needs to be 're-recorded'. The employer will already know how many family members are relocating, the locations they are moving from and to and at least the rough timing of the dates of travel – none of which is actually required to be obtained for the purposes of this FBT exemption anyway.
3. Other substantiation documentation that typically causes a lot of pain for employers and employees are the living away from home declarations and the expense payment, property and residual benefit (otherwise deductible) declarations. If these could be addressed with some priority, that would probably have a big impact for taxpayers.

Thanks again for the opportunity to feed into this process.  
Regards

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