

## **Submission re Work Related Car Expenses Deductions**

My daughter is employed in the Home/Aged Care industry.

Like most if not all others who make multiple daily home visits and take patients to shops and doctors etc, she is employed as a casual on an hourly rate and is reimbursed kilometres for using her own car - at ATO published rates.

It therefore follows that according to her contract (and likely all others as this is common practice) as the contract says they "will be reimbursed at prevailing ATO rates from time to time" the reimbursements will fall from her current 76 cents to 66 cents.

At some 25,000 kilometres per years this represents a fall in income of \$2,500.

However, the reality is that the cost to her remain unchanged.

Therefore, given that she is purchasing a god car under finance that currently is reimbursed at 76 cents per kilometre (she has to have one that is completely reliable or she can't work), it is now likely that at 66 cents per kilometre, she will be making an immediate loss for every kilometre travelled on her employers business.

With the low incomes people earn in this industry, this change in ATO rates will particularly disadvantage low income earners who can least afford it.

I think Treasury needs to think beyond "modernisation" and consider the perhaps unintended ramifications.

Unions will no doubt also take this matter up and it may be the Fair Work Commission will need to introduce a safety net in all awards so that individuals are not disadvantaged.

Mr Peter Hopkins