



 [Print whole section](#)

Cars, transport and travel

Deductions for car, transport and travel expenses you incur in the course of your work.

Trips you can and can't claim



When you can and can't claim deductions for the cost of transport while working and between home and work.

Motor vehicle and car expenses



Deductions for work-related use of your car or another motor vehicle

Taxi ride-share and public transport expenses



Deductions for work-related transport expenses such as flights, trips by train, bus, taxi or ride-share, and tolls.

Award transport payments



Income you must declare, deductions you can claim and records to keep if you receive an award transport payment.

Overnight travel expenses and allowances



Work-related travel expenses, records you need to keep, travel allowances and record keeping exceptions.

Removal and relocation costs



You can't claim a deduction for removal or relocation costs to transfer or relocate for work purposes.

QC 72121

Trips you can and can't claim

When you can and can't claim deductions for the cost of transport while working and between home and work.

Last updated 16 June 2025

Trips while working and between workplaces

You can claim a tax deduction for the cost of transport on trips to:

- perform your work duties – for example, if you travel from your regular place of work to meet with a client
- attend work-related conferences or meetings away from your regular place of work
- deliver items or collect supplies
- go between 2 or more separate places of employment, such as if you have more than one job (but not if one of the places is your home)
- go from your
 - regular place of work to an alternative place of work that isn't a regular place of work (for example, a client's premises) while still on duty, and back to your regular place of work or directly home

- home to an alternative place of work that isn't a regular place of work to perform your duties, and then to your regular place of work or directly home (this doesn't apply if the alternative place of work has become a regular workplace).

Example: travel between 2 separate workplaces

Aaron works part time at a supermarket and also works part time as a house cleaner. On Tuesdays Aaron drives his car directly from his job at the supermarket to his regular cleaning clients.

As the trip is between 2 separate places of work, neither of which is Aaron's home, he can claim a deduction for the transport expenses he incurs for that trip.

Example: travel to an alternative place of work

Brock works for a large company with 2 offices in Melbourne. He usually works from the city office but occasionally he's required to attend training at the company's office in Box Hill. When Brock travels to the Box Hill office, he catches a tram at his own expense.

Brock can claim a deduction for the cost of the tram between the Melbourne office and Box Hill office as it's an alternative place of work. He can also claim the cost of any trips between the Box Hill office and his home.

However, if Brock works from the city office every Monday to Thursday and from the Box Hill office every Friday as a standard arrangement, then the city office is his regular place of work every Monday to Thursday and the Box Hill office is his regular place of work every Friday. Brock can't claim a deduction for trips between his home and either of his regular places of work.

Trips between home and work

You can't claim trips between your home and place of work, except in [limited circumstances](#).

These trips put you in a position to start work and earn income but are not part of performing your work duties. The cost of these trips is a private expense.

This is the case even if you:

- live a long way from your regular place of work
- work outside normal business hours – for example, shift work or overtime
- do minor work-related tasks on the way to work or the way home – for example, picking up the mail
- go between your home and regular place of work more than once a day
- are on call – for example, you are on standby duty and your employer contacts you at home to come into work
- have no public transport near where you work
- do some work at home
- work from your home running your own business and travel directly to a place of work where you work for somebody else.

Example: public transport not available

Tim works at his local cinema. His shift often finishes late into the night. The only available bus doesn't operate past 7:00 pm so Tim has to drive to and from work.

The cost Tim incurs to drive to work is not deductible. This is because Tim incurs the cost to put him in the position to earn his employment income, not in the course of performing his work duties.

Example: working from home and travelling to regular place of work

Ravi works in the accounts department of a large retail chain. At the end of each month, Ravi's workload increases. To keep on top of his work, Ravi does some work at home before he goes into the office or when he gets home from the office in the evening.

Ravi can't claim a deduction for the expenses he incurs when he travels between his home and the office on these occasions.

Ravi works at home for convenience and doesn't incur the cost of travelling from his home to the office in the course of performing his work duties. He incurs the expenses to be in the position to start work. The transport costs are a private expense.

Example: travelling while on standby duty

Nadena is a registered nurse at a hospital. During a typical fortnight, Nadena has 9 shifts and one standby shift. If another nurse calls in sick when Nadena is on standby duty she may be called in to work that shift.

The standby shift may be at night, early morning or during the day, depending on her roster cycle.

Nadena can't claim a deduction for travel between her home and the hospital when she is called into work while she is on standby duty.

She incurs the expense in travelling from her home to the hospital, not in the course of performing her work duties. The transport costs are a private expense. This is the case even if the shift is outside normal business hours or there is no public transport available.

Example: travelling to a distant regular work location

Aldo lives in North Queensland with his family. He is an employee on a long-term project in Sydney. His employment contract states that his place of work is the office on the project site in Sydney.

As Aldo lives in North Queensland and only needs to be physically on site during certain stages of the project, he has an informal agreement with his employer to work from home whenever he's not required on site.

When it's necessary for Aldo to be on site, he's generally at the project site for no longer than 2 weeks at a time. When Aldo needs to be on site, he flies to Sydney at his own expense.

The project site in Sydney is Aldo's regular place of work and he can't claim a deduction for the cost of travelling from North Queensland to Sydney.

Aldo doesn't incur the transport expenses in the course of performing his work duties. He incurs the expenses to put him in the position to start work.

His travel costs to stay in Sydney, such as accommodation and meals, are also private because Aldo chooses to live in North Queensland and work in Sydney.

When you can claim trips between home and work

There are some circumstances where you can claim a deduction for the cost of trips between home and work. You must check that you meet the eligibility conditions for at least one of the following:

- [Home is a base of employment](#)
- [Transporting bulky tools and equipment](#)
- [Itinerant or shifting places of work](#)

You may also be able to claim a deduction for a trip that includes an alternative place of work that isn't a regular place of work – see [Trips while working and between workplaces](#).

Home is a base of employment

You can claim a deduction for the cost of a trip from home to your place of work if your home was a base of employment. You must meet all 3 of these conditions:

- You're required to start your employment duties at home then travel to your regular place of work to complete those particular duties.
- Undertaking the work in 2 locations is necessary due to the nature of your employment duties.
- The trip to your regular place of work isn't part of a normal trip to work that would have occurred anyway.

Example: home is base of employment

Tom is the IT Security Director of a data storage company. He's on call 24 hours a day to be notified of a security breach. His employer installs a secure terminal at his home so he can work from home if he receives a call out of hours. Normally, Tom would provide advice over the phone to the staff on site, and sometimes he would log into the secure terminal at his home to correct the issue.

At times, Tom starts working on a security issue from the home terminal but is then required to drive into the office out of hours to resolve the issue. On these occasions the transport expenses he incurs for this journey are deductible, as his home has become a base of employment. However, his regular daily trip into the office is not deductible.

Transporting bulky tools and equipment

You can claim a deduction for the cost of trips between home and work if you need to carry bulky tools or equipment and all the following conditions are met:

- the tools or equipment are essential to perform your work
- the tools or equipment are bulky, meaning that
 - they are awkward to transport because of their size and weight
 - they can only be transported conveniently using a motor vehicle

- there is no secure storage for such items at the workplace
- you don't transport the tools or equipment as a matter of choice (for example, if your employer provides secure storage and you choose to take the tools home instead).

If you claim a deduction, you will need to keep a record of:

- all work items you carry
- the size and weight of all work items
- evidence that the items you carry are essential to your work
- evidence that your employer did not provide secure storage at the workplace.

Media: Transporting bulky tools and equipment

<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiubx7d1ys> [🔗](#) (Duration: 00:52)

Example: carrying bulky equipment is necessary

Masahito is an employee of an orchestra, where he plays double bass.

The orchestra plays in a number of venues and Masahito often travels directly from home to the various venues. He practises regularly at home, this is also the only place available to store his instrument when not being used.

The double bass is over 2 metres tall and 75 cm wide when in its case and is awkward to transport.

Masahito can claim a deduction for the car expenses he incurs when travelling between his home and workplaces. The need to transport his cumbersome double bass by car to the different workplaces means that the trips are not ordinary home to work travel.

Example: carrying bulky tools is unnecessary

Merinda works as a fitter and turner on a mine site. She drives to the mine site each day.

The mine site has a building where staff can store their tools when not on duty. The staff have their own secure tool lockers.

Merinda requires a number of tools to do her job, so her toolkit is large and heavy. Although there is room to store the toolkit in her locker, she takes it home every day.

Merinda's toolkit would be considered bulky, but she has a secure place to store it at work. It is her decision to transport her tools between home and work each day.

As there is no practical need for Merinda to transport the bulky toolkit between home and her regular place of work, her trips remain ordinary private trips. She can't claim a deduction for her car expenses.

Itinerant or shifting places of work

If you do itinerant work (you have shifting places of work), you can claim transport expenses you incur for trips between your places of work and your home. The following factors indicate you do itinerant work:

- you travel because it's a fundamental part of your work, not just because it's convenient to you or your employer
- you have a 'web' of workplaces you travel to throughout the day and no fixed place of work
- you regularly work at more than one work site before returning home
- you are often uncertain of the location of your work site
- your employer pays you a travel allowance because you need to travel continually between work sites, and you use this allowance to pay for your travel.

Example: one work site each day

Chloe is a substitute teacher, who travels to different schools when teachers are away. She sometimes attends a school for just one day, and at other times for a few weeks.

Chloe is not doing itinerant work. While she may not know where she's going to work each day, she will only ever work at one location for the day. She can't claim a deduction for her trips between home and work.

Example: multiple work sites each day

Mitchell is an apprentice roof tiler. He is sent to various sites each day, going to the first site from his home and returning home at the end of the day from the last site.

Mitchell is doing itinerant work because he is regularly working at multiple sites during the day. He can claim deductions for the transport costs of his trips:

- between home and work each day
- between each site during the day.

However, if Mitchell routinely goes to only one site and works there for several days until the job is finished, he is not doing itinerant work.

Claiming a trip

To claim a tax deduction for the transport expenses of a work-related trip, you must:

- have spent the money yourself and weren't reimbursed
- have records of your expenses.

How you work out your claim amount depends on whether you made the trip:

- in your [car or other motor vehicle](#)
- by [taxi, ride-share or public transport](#).

If you [travel overnight](#) to perform your work duties, you can generally claim a deduction for the cost of your flights and your expenses for accommodation, meals and incidentals.

If your travel is partly private, you can only claim a deduction for the transport expenses you incur in the course of performing your work duties.

QC 72122

Taxi, ride-share and public transport expenses

Deductions for work-related transport expenses such as flights, trips by train, bus, taxi or ride-share, and tolls.

Last updated 16 June 2025

Claiming a deduction for transport expenses

To claim a tax deduction for transport expenses:

- [the expenses must be work related](#)
 - you can claim for trips between workplaces or to perform your work duties (such as a taxi ride to the airport from your office to go on a work-related trip)
 - you can't claim for trips between your home and place of work, except in [limited circumstances](#)
- you must have spent the money yourself and weren't reimbursed
- you must have a record of your expenses.

If your travel is partly private, you can only claim a deduction for the work-related portion of the expenses you incur.

You claim the deduction in your income tax return as a work-related travel expense.

Types of transport expenses you can claim

You can claim transport expenses such as:

- train, taxi, boat or bus fares
- ride-share and ride-sourcing
- flights
- short-term hire of a car
- road and bridge tolls and parking fees.

For expenses related to using a car or similar vehicle, see [Motor vehicle and car expenses](#).

Keeping records and written evidence for transport expenses

The information you must keep includes:

- a record (such as a diary note) explaining of how the transport was work-related and your travel movements and activities such as
 - where you were
 - what you were doing
 - the start and end times for activities
- written evidence (such as receipts) for the cost of fares for air, bus, train, tram and taxi or ride-share travel, bridge and road tolls, parking and car-hire fees.

If you receive an allowance from your employer to cover transport expenses, you must include it as assessable income in your tax return. The allowance amount is shown on your income statement or payment summary.

QC 72127

Award transport payments

Income you must declare, deductions you can claim and records to keep if you receive an award transport payment.

Last updated 16 June 2025

What is an award transport payment?

An award transport payment is a payment made to you under an [industrial instrument](#) that was in force on 29 October 1986. It may be paid to you by your employer in the form of:

- an allowance to cover transport expenses
- reimbursement for car expenses on a cents per kilometre basis (this is also treated as an allowance).

Award transport payments are made to cover transport costs you may incur in the course of performing your work duties. An allowance isn't an award transport payment if it is paid to cover accommodation, meals or incidental expenses when [travelling away from your home overnight for work purposes](#).

Transport expenses may include the cost of driving your car, ride-share and ride-sourcing, flights or catching a train, taxi, boat or bus.

To find out if your transport allowance was paid under an industrial instrument that was in force on 29 October 1986, and the amount that was payable at that date, ask:

- your employer
- your union.

Industrial instruments

An industrial instrument can be any one of the following:

- an award
- an enterprise bargaining agreement or collective agreement
- a Commonwealth, state or territory law
- an order or determination in force under a Commonwealth, state or territory law.

The most common type of industrial instruments that were in force on 29 October 1986 were awards.

An industrial instrument that is a substitution for an earlier version of an industrial instrument is considered a continuation of the earlier instrument. For example, if an industry award was in force on 29 October 1986 and was then updated every few years, the latest version of that award is considered a continuation of the 1986 version.

Income to declare

If you receive an award transport payment you must include it as income in your tax return. You declare the entire payment, even if this is more than the amount that was payable under the award on 29 October 1986.

Exception from keeping written evidence and travel records

Generally, you must keep written evidence (such as receipts) to claim a deduction for work-related transport expenses, including travel records (such as a diary) if you're away for 6 or more consecutive nights.

However, you don't need to keep written evidence or travel records if you meet all the following conditions:

- you are paid an award transport payment
- you incur deductible transport expenses that are covered by the award transport payment
- the total of the transport expenses you claim as a deduction is less than the amount payable under the award on 29 October 1986 (the 'award amount'). Your employer or union can tell you the award amount.

This exception doesn't give rise to an automatic deduction. You're still required to incur a deductible expense relating to the transport the payment covers.

If you want to claim a deduction that is more than the award amount on 29 October 1986, you will need written evidence and travel records (where necessary) for your whole claim.

Example: award transport payment – exception from keeping written evidence

Terry is paid an award transport payment in the form of an allowance of \$2,500 to cover the cost of taxis and other forms of transport when he is travelling away from home overnight for work. His employer has advised him that the amount under the award on 29 October 1986 would have been \$1,500. Terry's employer shows the allowance of \$2,500 on his income statement.

At the end of the income year, Terry works out that he has incurred deductible transport expenses covered by the award transport payments of \$1,450.

Terry must declare the \$2,500 award transport payment as income in his tax return. However, he can claim a deduction of \$1,450 as work-related travel expenses.

As Terry's deduction is less than the \$1,500 award amount, he doesn't have to keep written evidence such as receipts.

How to claim a deduction

To claim a deduction for transport expenses covered by an award transport payment, your expenses must be incurred in the course of performing your employment duties.

Transport expenses may be for:

- driving your own car, which must be a motor vehicle (excluding a motorcycle or similar vehicle) that carries a load of less than one tonne and fewer than 9 passengers (including the driver)
- other forms of transport, including driving a vehicle other than your own car, ride-share and ride-sourcing, flights, or catching a train, taxi, boat or bus.

You claim a deduction for transport expenses as either work-related travel expenses or work-related car expenses. In some circumstances, you claim your deduction as both of these types of expenses.

Claiming for transport expenses within award amount

If you are claiming a deduction for transport expenses (including any car expenses) that is no more than the award amount on 29 October 1986, claim your deduction as **work-related travel expenses** in your tax return.

You don't need to use the cents per kilometre method or logbook method for your car expenses because you don't need to keep written evidence or travel records.

Claiming for car expenses that exceed award amount

If you have additional work-related car expenses that are not covered by the award amount, you have 2 options for claiming a deduction for your car expenses:

- claim the part of your expenses covered by the award amount as work-related travel expenses (you don't need to keep records for this part), and [claim only the remainder as work-related car expenses based on written evidence](#)
- [claim all work-related car expenses based on written evidence](#).

Claiming only additional car expenses based on written evidence

If your work-related car expenses are more than your award amount, you can:

- calculate these expenses using the [cents per kilometre or logbook method](#)
- keep the required written evidence and records for the method you choose
- claim your deduction for these additional work-related car expenses as **work-related car expenses** in your tax return.

For your work-related car expenses deduction, kilometres that are covered by the award transport payment are not counted as work-related kilometres under either the cents per kilometre or logbook methods. However, they are counted as part of the total kilometres travelled for the logbook method.

If you don't know how many work-related kilometres relate to your award transport payment, you can make a reasonable estimate.

If we ask, you must be able to show how you calculated your deduction for work-related travel expenses and that your transport expenses were work-related.

Example: claiming additional car expenses using cents per kilometre method

Carla travels 7,000 kilometres for work during the 2024–25 income year. Of that travel, 3,000 kilometres is covered by an award transport payment.

Carla receives \$1,500 for her award transport payment. However, the award amount as at 29 October 1986 is \$1,000.

Carla's expenses for the 3,000 kilometres covered by the payment exceed \$1,000, but she elects to only claim \$1,000 so she doesn't have to keep written evidence. Carla claims the \$1,000 deduction as work-related travel expenses in her tax return.

Carla uses the cents per kilometre method to claim a deduction for the remaining 4,000 kilometres. She claims a deduction for the transport expenses not covered by her award payment as work-related car expenses.

Example: claiming additional car expenses using logbook method

Haneeta travels 9,000 kilometres for work during the 2024–25 income year. Of that travel, 5,000 kilometres is covered by an award transport payment.

She receives \$2,500 for her award transport payment. However, the award amount as at 29 October 1986 is \$1,500.

Haneeta keeps a logbook and odometer records. Based on her odometer records, she travelled a total of 13,500 kilometres in the 2024–25 income year.

When working out her claim for the year, Haneeta chooses to rely on the exception from keeping written evidence for the transport expenses covered by the award transport payment. As she has made that choice, the travel covered by that payment won't count as work-related kilometres.

When Haneeta calculates her work-related use of her car based on her logbook, she doesn't include the work-related kilometres covered by the award transport payment as work-related kilometres. However, she includes them in her calculation of the total kilometres she travelled during the income year.

Haneeta calculates her work-related percentage use as:

Total work-related kilometres – work-related kilometres covered by payment

9,000 kilometres – 5,000 kilometres = 4,000 kilometres

Work-related kilometres not covered by payment ÷ total kilometres

4,000 kilometres ÷ 13,500 kilometres = 29.63%

In her tax return, Haneeta claims a deduction of \$1,500 as work-related travel expenses. She does not have to keep written evidence for this deduction.

Haneeta can also claim a deduction for 29.63% of her total car expenses as work-related car expenses. She must keep her logbook, odometer records and written evidence of all her car expenses to substantiate her deduction.

Claiming all car expenses based on written evidence

Alternatively, you may choose not to limit any part of your claim for work-related car expenses to the award amount. In other words, you can choose not to rely on the exception from keeping written evidence and make a claim for all of your work-related car expenses.

If you choose to do this, you:

- must claim your deduction as **work-related car expenses** in your tax return

- can calculate your claim using either the [cents per kilometre method or logbook method](#)
- can't claim a deduction for car expenses covered by your award transport payment as work-related travel expenses
- include any kilometres travelled for work purposes covered by the award transport payment as work-related kilometres.

If you use the logbook method you must keep a logbook, odometer records and written evidence (such as receipts) for all of your car expenses. If you use the cents per kilometre method, you will need to keep records (such as a diary note) that show how you work out your claim and that the kilometres you claim are work-related.

Example: claiming all car expenses using logbook method

Continuing the previous example, suppose Haneeta chooses not to rely on the exception for keeping written evidence, but instead claims all of her work-related car expenses using the logbook method.

Haneeta will be able to include all of the work-related kilometres she travels during the 2024–25 income year (9,000 kilometres) as work-related kilometres when she is calculating her work-related use percentage.

Haneeta will calculate her work-related use of her car as follows:

Total work-related kilometres ÷ total kilometres

9,000 kilometres ÷ 13,500 kilometres = 66.67%

Haneeta can claim 66.67% of her total car expenses as work-related car expenses in her tax return. She must keep her logbook, odometer records and written evidence for all her car expenses to substantiate her deduction.

QC 72128

Removal and relocation costs

You can't claim a deduction for removal or relocation costs to transfer or relocate for work purposes.

Last updated 16 June 2025

You can't claim a deduction for removal or relocation costs.

This is the case even if relocating is a condition of your employment when you take up:

- a transfer in an existing job
- a new job with a different employer.

Removal and relocation expenses never have a sufficient connection to earning your employment income or income producing activities. You incur these expenses to start earning employment income, so they are private or domestic expenses.

If you receive an allowance from your employer to cover some of the costs of relocating, you must declare the allowance as assessable income in your tax return.

QC 72137

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).