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Engineers – income and work-related deductions

Engineers guide to income, allowances and claiming deductions for work-related expenses.

Last updated 3 June 2024

For a summary of common expenses, see [Engineers \(PDF, 423KB\)](#) .

Income and allowances

Income and allowance amounts you need to include in your tax return and amounts you don't include.

Deductions for work expenses

Deductions you can and can't claim for expenses you incur to earn your income.

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Income and allowances

Income and allowance amounts you need to include in your tax return and amounts you don't include.

Last updated 12 May 2025

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Amounts you do and don't include

You must include all the income you receive during the income year as an employee in the engineering industry in your tax return, this includes:

- salary and wages, including cash or bonus payments
- allowances
- compensation and insurance payments – for example, payments made under an income protection insurance policy to replace salary and wages.

Don't include as income any [reimbursements](#) you receive.

Your income statement or payment summary will show all your salary, wages and allowances for the income year.

Allowances

You must include all **allowances** your employer reports on your income statement or payment summary as income in your tax return.

An allowance is where your employer pays you an amount as an estimate of costs you might incur:

- to help you pay for a work expense – for example, vehicle allowance
- as compensation for an aspect of your work such as working conditions or industry peculiarities – for example, disability

allowance

- as an amount for having special duties, skills or qualifications – for example, first aid qualifications.

Your employer may not include some allowances on your income statement or payment summary. Find out about declaring income and claiming deductions for [Allowances not on your income statement](#).

Allowances not on your income statement or payment summary

If you receive an allowance from your employer, it does not automatically mean you can claim a deduction.

Your employer may not include some allowances on your income statement or payment summary, you will find these amounts on your payslip. You don't need to declare these allowances as income in your tax return, unless you're claiming a deduction. Examples include travel allowances and overtime meal allowances.

If you spend the allowance amount on work expenses, you:

- don't include it as income in your tax return
- can't claim any deductions for the work expenses the allowance covers.

If you're not claiming a deduction, you don't need to keep any records of the amounts you spend.

If you spend your allowance on a deductible work-related expense, to claim a deduction you:

- include the allowance as income in your tax return
- include a claim for the work expenses you incur in your tax return
- must have records of your expenses.

If you can claim a deduction, the amount of the deduction is not usually the same amount as the allowance you have receive.

Allowances and claiming a deduction

The following table sets out allowances you may receive and when you can claim a deduction.

Allowance types, reason for the allowance and if you can claim a deduction

Reason for allowance	Example of allowance type	Deduction (Yes or No)
Compensation for an aspect of your work that is unpleasant, special or dangerous or for industry peculiarities	Height allowance Disability allowance	No These allowances don't help you pay for deductible work-related expenses
An amount for certain expenses	Vehicle allowance	Yes If you incur deductible expenses
An amount for special skills	A first aid certificate	Yes If you incur deductible expenses

Example: allowance assessable, no deduction allowable

Mitch is an aeronautical engineer. One of Mitch's duties involves checking aspects of large aircraft while they are being built and to do this, Mitch has to work on scaffolding. Mitch receives a height allowance from his employer when works on scaffolding.

At the end of the income year, his employer shows the allowance on his income statement. Mitch must declare the allowance as income in his tax return.

Mitch can't claim a deduction because he doesn't incur any deductible expenses. The allowance compensates Mitch for a

dangerous aspect of his work. It isn't to help him pay for work-related expenses that Mitch might incur.

Example: allowance assessable, deduction allowable

Irene is a mechanical engineer. Irene's employer pays her a tool allowance of \$650 each year. During the income year, Irene buys a digital force gauge for \$764.

At the end of the income year, Irene's employer shows the tool allowance on her income statement.

Irene must declare the tool allowance of \$650 as income in her tax return.

Irene can claim a deduction for the decline in value of the digital force gauge over its effective life.

Reimbursements

If your employer pays you the exact amount for expenses you incur (either before or after you incur them), the payment is a **reimbursement**.

A reimbursement isn't an allowance.

If your employer reimburses you for expenses, you incur:

- you don't include the reimbursement as income in your tax return
- you can't claim a deduction for them.

Find out about engineers':

- Deductions for work expenses
- Record keeping for work expenses

Deductions for work expenses

Deductions you can and can't claim for expenses you incur to earn your income.

Last updated 12 May 2025

For a summary of common expenses, see [Engineers \(PDF, 423KB\)](#) .

To claim a deduction for a work-related expense you must meet the 3 golden rules:

1. You must have spent the money and you weren't reimbursed.
2. The expense must directly relate to earning your income.
3. You must have a record to prove it (usually a receipt).

If the expense was incurred for both work and private purposes, you only claim a deduction for the work-related use.

You can't claim a deduction if:

- you don't keep records of your work-related expenses
- someone else (such as an employer) pays for the expense or reimburses you for it.

Find out which expenses you can and can't claim as an engineer:

- [Engineer expenses A–F](#)
- [Engineer expenses G–O](#)
- [Engineer expenses P–S](#)
- [Engineer expenses T–W](#)

To help you work out if you can or can't claim a deduction for other expenses, and the records you need, see [Employees guide for work expenses](#).

You can use the myDeductions tool in the ATO app to help keep track of your:

- work-related expenses (such as vehicle trips)
- general expenses (such as gifts and donations).

You can upload these records or share them with a tax agent at tax time to make lodging your tax return easier.

We have information in languages other than English. A summary of common work-related expenses may be available in your language:

1. Select your language from the **other languages' homepage**.
2. Select the heading **Individuals**.
3. Check the list to see if a summary is available.

Engineer expenses A–F



Details on claiming common engineer expenses.

Engineer expenses G–O



Details on claiming common engineer expenses.

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Award transport payments (fares allowance)

Allowances you receive from your employer for transport or car expenses that are paid under an award must be included as income in your tax return.

You can claim a deduction for expenses covered by award transport payments, if:

- the expenses are for work-related travel
- you have actually spent the money.

You will need to be able to show how you work out your claim if we request this information. You don't need written evidence if your claim is less than the amount in the award as at 29 October 1986. If you're unsure of this amount, your union or employer can tell you.

Car expenses

You can't claim a car expenses deduction for normal trips between your home and regular place of work. These are private expenses, even if you

- live a long way from your usual or regular workplace

- have to work outside normal business hours (for example, weekend or early morning shifts).

In limited circumstances, you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work or have shifting places of employment.

To be able to claim a deduction for the cost of trips between home and work while carrying bulky tools or equipment, all the following conditions must be met:

- the tools or equipment are essential to perform your employment duties
- the tools or equipment are bulky, meaning that
 - because of the size and weight, they are awkward to transport
 - they can only be transported conveniently using a motor vehicle
- there is no secure storage for such items at the workplace.

It will not be sufficient if you transport the tools or equipment merely as a matter of choice. For example, if your employer provides secure storage, your decision to transport items home will be a matter of choice.

You are considered to have shifting place of work where you have no fixed place of work and you continually travel from one work site to another before returning home.

You can also claim a deduction for the cost of using your car when you drive:

- directly between separate jobs on the same day (provided neither of the workplaces is your home) – for example, travelling from your first job as a mechanical engineer to your second job as a university lecturer
- to and from an alternative workplace for the same employer on the same day – for example, travelling from your office to a job site to perform an inspection
- from home directly to an alternative workplace – for example, travelling from home to meet a client at their business premises which is not your regular work location.

To claim a deduction, you must keep records of your car use. You can choose between the logbook method or the cents per kilometre method to work out your deduction. If you:

- own the car
- lease the car (directly from the finance company)
- hire the car under a purchase agreement (with the car dealership or a finance company).

You don't own, lease or hire a car you use under a salary sacrifice or novated lease arrangement. This is because it's usually your employer leasing the car from the financing company and making it available for your use. You can't claim a deduction for car expenses but you can claim additional work-related expenses you incur that are associated with your work use of the car such as **parking and tolls**.

If you use the **logbook method** you need to keep a valid logbook to help you work out the percentage of work-related use along with evidence of your car expenses.

If you use the **cents per kilometre method**, you can claim a **set rate** for each work-related kilometre travelled. The maximum number of kilometres you can claim under this method is 5,000. You must be able to show how you work out your kilometres and that they were work-related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

To claim a deduction in your tax return, include the amount of your claim at **Work-related car expenses**. The **Work-related car expenses calculator** can help you work out the amount you can claim as a deduction.

You can't use the cents per kilometre or logbook methods to work out your claim for a:

- motorcycle
- vehicle with a carrying capacity of one tonne or more (such as a ute)
- vehicle that can transport 9 passengers or more (such as a minibus).

For these vehicles, you can claim the actual expenses you incur for your work-related travel. This includes costs such as fuel, oil, insurance, and loan interest along with the decline in value of the vehicle. You must keep receipts for all your expenses and records to show your work-related use of the vehicle. Although you aren't required to keep a logbook, it is the easiest way to calculate your work-related use of the vehicle.

To claim a deduction for actual expenses you incur for a vehicle not defined as a car, include the amount at **Work-related travel expenses**.

Example: no secure storage

Mike is a mechanical engineer responsible for constructing machines. To perform his duties as a mechanical engineer he requires several tools and pieces of machinery, that combined are large and heavy.

Mike's employer doesn't provide secure storage for him to store his tools and machinery at work. He must transport his tools and machinery between his home and workplace each day to perform his duties.

He can claim a deduction for the expenses he incurs to transport his tools and machinery as they are considered bulky due to their size and weight and no secure storage is provided. Transporting the tools and machinery is not a personal choice.

Example: from alternative workplace to home

Hiroto works as a civil engineer for a large company. His regular place of work is in the city where his office is located. However, at least once a month he must attend meetings at his employer's head office in the suburbs. He uses his own car to travel to his employer's head office. Hiroto travels directly home after the meetings because they finish late.

Hiroto can claim the cost of travelling from his city office to the meeting at head office, and then to his home.

Example: between alternative workplace and work

Jan makes site visits to view projects she's working on as a structural engineer. Sometimes, she travels from her home to view a site, and then continues to her regular workplace.

Jan can claim a deduction for her travel expenses that she incurs from her home to the project site and then onto her regular workplace.

Example: working partly from home

Mohammed's employer has an office in the city but is happy for Mohammed to work from home 3 days each week. On these days, Mohammed sometimes has to travel into the office for a meeting, before returning home to work.

In this situation, the expense Mohammed incurs to travel between his home and work is a private expense that he can't claim.

Child care

You can't claim a deduction for the cost of **child care** (including school holidays and before and after school care) when you're working. It's a private expense, and the expenses have no direct connection to earning your income.

Clothing and uniform expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim conventional clothing (including footwear) as a work-related expense, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people regardless of their occupation – for example, business attire worn by engineers.

You can claim a deduction for costs you incur to buy, hire, repair or replace clothing, uniforms and footwear you wear at work if it's in one of the following categories:

- **protective clothing** – clothing with protective features or functions you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots, fire-resistant clothing, or hi-vis jackets. Conventional clothes you wear at work are not regarded as protective clothing if they lack protective qualities designed for the risks of your work. This includes jeans, drill shirts, shorts, trousers, socks, closed shoes.
- **occupation-specific** – clothing that distinctly identifies you as a person with a particular profession, trade or occupation. For example, a judge's robes or a chef's chequered pants. Items traditionally worn in a profession are not occupation-specific where the clothing is worn by multiple professions, for example, white lab coats.
- **a compulsory uniform** – clothing that your employer strictly and consistently enforces you wear by workplace agreement or policy and distinctly identifies either
 - you as an employee working for a particular employer
 - the products or services your employer provides
- **a non-compulsory uniform** – a uniform that is not compulsory to wear and that your employer registers on the Register of Approved Occupational Clothing.

You can't claim a deduction if your employer buys, repairs or replaces your clothing, footwear or protective clothing.

Example: conventional clothing

Kynon is an electrical engineer and works on a building site. He wears jeans with t-shirts or long sleeve shirts at work as they're comfortable. While the jeans and shirts afford Kynon some

protection from skin abrasions, when handling tools and materials, they provide only limited protection from injury.

The jeans and shirts that Kynon wears to work are commonly worn as conventional clothing and don't have protective features or functions designed to protect the wearer or cope with rigorous working conditions.

Kynon can't claim a deduction for the cost of buying these items because they're conventional clothing.

Example: protective clothing

Justin is a structural engineer. He occasionally works on building sites to oversee concrete pours or to sign off on building work. When he goes onto a building site, Justin must wear steel-capped boots and a hi-vis jacket for safety purposes.

Justin can claim a deduction for the cost of steel-capped boots and a hi-vis jacket that he buys and wears while he is working on a building site. These items protect Justin from the risk of injury while carrying out his duties.

Example: no deduction allowed for business attire

Gayle is an employee mechanical engineer. Gayle's employer doesn't provide or require employees to wear a uniform. However, she is expected to wear business attire whilst at work. Gayle buys suitable clothing such as suits, business shirts, skirts and pants. She only wears these items of clothing to work.

Gayle can't claim a deduction for buying of these items as they are conventional clothes, everyday clothing worn by people regardless of their occupation.

Drivers licence

You can't claim a deduction for the cost to get or renew your **drivers licence**, even if you must have it as a condition of employment. This is a private expense.

You can claim a deduction for additional costs you incur to get a special licence or condition on your licence to perform your work duties. For example, the cost you incur to get a heavy vehicle permit.

Entertainment and social functions

You can't claim a deduction for the cost of any **entertainment, fundraising or social functions**. This applies even if they are compulsory or you discuss work matters at the event. Entertainment and social functions include the cost of:

- work breakfasts, lunches or dinners
- attendance at sporting events
- gala or social nights
- concerts or dances
- cocktail parties
- other similar types of functions or events.

These are private expenses because these events do not have a direct connection to your income-producing activities.

You also can't claim the cost of travelling to and from functions.

Example: entertainment costs

Rachael attends a social breakfast organised by a professional association. These breakfasts are held every other month to encourage engineers to meet socially with colleagues.

Rachael can't claim a deduction for the cost of attending the breakfast even though her employer encourages staff to attend.

Fines and penalties

You can't claim a deduction for any **fin**es or **penalties** you get when you travel to work or during work. Fines may include parking and speeding fines or penalties.

For example, a fine you receive for speeding whilst driving to a client's office to attend a business meeting.

First aid courses

You can claim a deduction for the cost of **first aid training courses** if you are both:

- a designated first aid person
- need to complete a first aid training course to assist in emergency work situations.

You can't claim a deduction if your employer pays for or reimburses you for the cost of the course.

For more engineer expenses, see:

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- Engineer expenses P–S
- Engineer expenses T–W

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Engineer expenses G–O

Details on claiming common engineer expenses.

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Glasses, contact lenses and anti-glare glasses

You can't claim a deduction for prescription glasses or contact lenses, even if you need to wear them while working as these are private expenses.

You can claim a deduction for the cost of protective glasses if you wear them to reduce the real and likely risk of illness or injury while working as an engineer. Protective glasses include anti-glare or photochromatic glasses, sunglasses, safety glasses or goggles.

You can only claim a deduction for the work-related use of the item.

Example: protective goggles

Meena is a chemical engineer. Meena wears protective goggles when she is working to ensure her eyes are not damaged by chemicals. Meena's employer does not provide her with goggles so she buys a pair for \$49.

Meena can claim a deduction of \$49 for the goggles she buys. The goggles protect her eyes from damage while she is carrying out her duties.

Insurance of tools and equipment

You can claim a deduction for the cost to insure your tools and equipment to the extent that you use them for work-related purposes.

Laundry and maintenance

You can claim a deduction for the costs you incur to wash, dry and iron clothing you wear at work if it's:

- protective (for example, a hi-vis jacket)
- occupation specific and not a conventional, everyday piece of clothing such as jeans or general business attire
- a uniform either non-compulsory and registered by your employer on the Register of Approved Occupational Clothing or compulsory.

This also includes laundromat and dry-cleaning expenses.

We consider that a reasonable basis for working out your laundry claim is:

- \$1 per load if it only contains clothing you wear at work from one of the categories above.
- 50c per load if you mix personal items of clothing with work clothing from one of the categories above.

You can claim the actual costs you incurred for repairing and dry-cleaning expenses.

If your laundry claim (excluding dry-cleaning expenses) is \$150 or less, you don't need to keep records, but you will still need to calculate and be able to show how you worked out your claim. This isn't an automatic deduction.

Example: laundry expenses uniform and conventional clothing

Joselyn is an electrical engineer and is required to wear shirts embroidered with her employer's logo whilst at work. Her employer also requires her to wear black drill pants.

Joselyn can claim a deduction for the laundering of her work shirts as the logo makes them unique and distinctive. However, she can't claim a deduction for the cost to launder her drill pants even though she only wears them to work. They are conventional in nature and don't have a logo or other feature that is unique and distinctive.

Joselyn washes and dries her embroidered shirts and drill pants in a separate load of washing twice a week. She can only claim 50c per load as her embroidered shirts are washed with her drill pants (conventional clothing).

Jocelyn worked for 40 weeks of the income year and calculates her laundry claim as follows:

Number of claimable laundry loads per week × number of weeks worked = total number of claimable laundry loads

$$2 \times 40 = 80$$

Total number of claimable laundry loads × reasonable cost per load = total claim amount

$$80 \times \$0.50 = \$40$$

As her total claim for laundry expenses is under \$150, Joselyn doesn't have to provide written evidence of her laundry expenses. However, if asked, she will still be required to explain how she calculated her claim.

Licences, permits and cards

You can't claim the cost of getting your initial licence, regulatory permit, cards or certificates in order to get a job. For example, a forklift licence.

You can claim a deduction for the additional costs you incur to get or renew these expenses in order to continue to perform your work duties. For example, if you need to have a forklift licence to get your job, you can't claim the initial cost of obtaining it, however you can claim the cost of renewing it during the period you are working.

Meal and snack expenses

You can't claim for the cost of food, drink or snacks you consume during your normal working hours, even if you receive a meal allowance. These are private expenses.

You can claim:

- [overtime meal expenses](#), but only if you buy and eat the meal while you are performing overtime and you receive an overtime meal allowance under an industrial law, award or agreement
- the cost of meals you incur when you are travelling overnight for the purpose of carrying out your employment duties (travel expenses).

Newspapers and other news services, magazines and professional publications

The cost of newspapers, news services and magazines are generally private expenses and not deductible.

You can claim a deduction for the cost of buying or subscribing to a professional publication, newspaper, news service or magazine if you can show:

- a direct connection between your specific work duties and the content
- the content is specific to your employment and is not general in nature.

If you use the publication for work and private purposes, you can only claim the portion related to your work-related use.

Overtime meal expenses

You can claim a deduction for the cost of a meal you buy and eat when you work overtime, if all of the following apply:

- you receive an overtime meal allowance under an industrial law, award or agreement
- the allowance is on your income statement or payment summary as a separate allowance
- you include the allowance in your tax return as income.

You can't claim a deduction if the allowance is part of your salary and wages and not included as a separate allowance on your income statement or payment summary.

You generally need to get and keep written evidence, such as receipts, when you claim a deduction. However, each year we set an amount

you can claim for overtime meal expenses without receipts. We call this the 'reasonable amount'. If you receive an overtime meal allowance, are claiming a deduction and spent:

- up to the reasonable amount, you don't have to get and keep receipts
- more than the reasonable amount, you must get and keep receipts for your expenses.

In all cases, you need to be able to show:

- you spent the money
- how you worked out your claim.

Example: overtime meal expenses

Ash, an aeronautical engineer, completes his 8-hour shift and is asked to work for an additional 3 hours. He is given a meal break and paid an overtime meal allowance of \$25 under his enterprise bargaining agreement. Ash buys and eats a meal costing him \$14 during his overtime which is less than the Commissioner's reasonable amount for the relevant income year.

At the end of the income year his income statement shows he received \$25 for his overtime meal allowance. In his tax return, Ash correctly declares the \$25 allowance and claims a deduction of \$14. This is the amount he actually spent on his overtime meal.

The amount Ash is claiming as a deduction is less than the commissioner's reasonable amount so Ash doesn't have to keep written evidence. However, he will need to be able to show how he works out his deduction and that he spent the money.

For more information, see *TD 2024/3 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2024–25 income year?*

For more engineer expenses, see:

- [Engineer expenses A–F](#)
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Engineer expenses P–S

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Parking fees and tolls

You can't claim a deduction for parking at or near a regular place of work. You also can't claim a deduction for tolls you incur for trips between your home and work. This is a private expense.

You can claim a deduction for **parking fees and tolls** you incur on work-related trips.

Example: parking fees

Lucy drives her own car to work each day and parks in the secure parking centre across the road from the civil engineering

firm where she works.

Twice a year Lucy drives her car to her employer's head office to complete mandatory training she requires for her role as a civil engineer. She pays for parking at the head office and isn't reimbursed by her employer.

Lucy can't claim the cost she incurs for parking near her civil engineering firm, as it is her regular place of work. However, she can claim her parking costs when she travels to head office for mandatory training as she incurs the cost on a work-related trip.

Phone, data and internet expenses

You can claim a deduction for phone, data and internet costs for the work-related use of your own phone or electronic devices.

If your work phone, data and internet use for work is incidental and you're not claiming more than \$50 in total, you do not need to keep records.

If you claim more than \$50, you need to keep records to show your work use. For example, an itemised bill where you can identify your work-related phone calls and data use.

You can't claim a deduction if your employer:

- provides you with a phone for work and pays for your usage
- reimburses you for the costs you incur.

You can't claim a deduction for any phone calls to family and friends, even while you're travelling for work. This is because these are personal phone calls.

If all or part of your work-related phone, data and internet expenses are incurred as a result of **working from home** and you use the **fixed rate method** to claim your working from home deductions, you can't claim a separate deduction for these expenses.

For more information, see:

- **Mobile phone, mobile internet and other devices**
- **Home phone and internet expenses**

Example: calculating phone expenses

George is a mechanical engineer and he uses his personal mobile phone to make and receive phone calls from clients and his co-workers. He's on a set mobile plan of \$59 a month.

He receives an itemised bill from his phone provider each month, which includes details of the individual phone calls he has made.

At least once a year, George prints out his phone bill and highlights his work-related phone calls. He also notes on the bill about who he has phoned, for example his manager and clients.

Of the 200 phone calls made in a 4-week period, George works out that 40 (20%) of his phone calls are for work. He applies that percentage to his monthly plan amount (\$59 a month).

George worked for 46 weeks (10.6 months) of the year, so he calculates his work-related mobile phone expense deduction as follows:

Total work phone calls ÷ total number of phone calls = work use percentage for phone calls

$$40 \div 200 = 0.20 \text{ (that is 20\%)}$$

George can claim 20% of the total bill of \$59 for each month for work purposes.

$$\$59 \times 0.20 = \$11.80$$

George's total expense for work-related phone calls is:

$$10.6 \text{ months} \times \$11.80 = \$125.08$$

Example: work and private use

Samantha starts working as a pharmaceutical engineer in August. Samantha uses her computer and personal internet account at home to respond and action client requests.

Samantha also uses her computer and internet for private purposes.

Samantha keeps a diary for a 4-week period, recording the times she used the internet for work and private purposes. Her internet use diary shows 15% of her internet usage was for work-related activities and 85% was for private use.

Samantha is on an unlimited internet plan, which costs her \$100 per month. As her internet service provider charge for the year was \$1,100 (\$100 per month × 11 months) she can claim:

$$\$1,100 \times 0.15 = \$165 \text{ as work-related internet use.}$$

If anyone was accessing the internet connection, Samantha will need to reduce her claim to account for their use.

Protective items

You can claim a deduction for the cost of **protective items** if you wear them to protect you from the real and likely risk of injury or illness in your work environment or while performing your work duties.

To be considered protective, the equipment must provide a sufficient degree of protection against the risks of illness or injury you are exposed to in carrying out your work duties. Protective items can include gloves, safety glasses, goggles and breathing masks.

For example, an electrical engineer can claim a deduction for the cost of safety glasses and leather gloves.

You can also claim the costs you incur to repair, replace or clean protective items.

You can't claim a deduction if your employer:

- supplies the protective items
- reimburses for the cost you incur to buy protective items.

Example: protective items

Raymond is a civil engineer and must attend the building site to perform his duties. He must wear steel-capped boots and a hard hat when on site. If he doesn't wear these items, he is at risk of being injured.

There is a connection between the expense he incurs on the steel-capped boots and hard hat and the protection the items provide for him during his employment.

Raymond can claim a deduction for the cost of the steel-capped boots and hard hat.

Removal and relocation expenses

You can't claim a deduction for the cost to transfer or relocate to a new work location. This is the case whether the move is a condition of your existing job or you are taking up a new job.

Example: relocating due to transfer

Remy is an electrical engineer for a government department. He is currently located in Brisbane. However, his employer relocates him to the Rockhampton office. Remy can't claim a deduction for his relocation costs, rent or other living expenses.

Repairs to tools and equipment

You can claim a deduction for repairs to tools and equipment you use for work. If you also use them for private purposes, you can only claim an amount for your work-related use.

Self-education expenses

You can claim a deduction for self-education expenses if it directly relates to your employment as an engineer and at the time the expense was incurred it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in your income from your current employment.

You can't claim a deduction if at the time that the self-education expense was incurred it either:

- doesn't have a connection with your current employment
- only relates in a general way to your current employment
- enables you to get employment or change employment.

If your self-education expenses are deductible, you can claim expenses such as **course or tuition fees**, student and amenities fees, textbooks, academic journals and stationery expenses. You can claim a deduction for depreciating assets that cost \$300 or less or claim a deduction for the decline in value of any depreciating assets which cost more than \$300, that you use for your work-related study.

If you study at home, you may also be able to claim **work from home running expenses**, but not occupancy expenses.

You can't claim a deduction for the repayments you make on your study or training support loan. Study and training support loans include:

- Higher Education Loan Program (HELP) (FEE-HELP and HECS-HELP)
- VET Student Loans (VSL)
- Australian Apprenticeship Support Loans (AASL)
- Student Financial Supplement Scheme (SFSS)
- Student Start-up Loan (SSL).

While course or tuition fees may be deductible, fees you incur under the Higher Education Contribution Scheme Higher Education Loan Program (HECS-HELP) scheme are not deductible.

Example: self-education related to income-earning activities

Doug is an employee administrative clerk for a mining company and is completing a Bachelor of Engineering.

He is offered a trainee engineering position with the mining company on the understanding that he will continue his studies.

Doug can't claim his study expenses while employed as an administrative clerk because the study doesn't maintain or

improve the knowledge Doug requires to be an administrative clerk. However, he can claim his study expenses while employed as a trainee engineer.

Example: no sufficient connection with current role

Danica is a qualified draftsman at an engineering firm. She is currently completing a Bachelor of Mechanical Engineering to further her career.

Danica can't claim a deduction for the course and associated study expenses as the course doesn't directly relate to her current employment activities as a draftsman.

Example: maintains or improves specific skill or knowledge

Ashran holds a Bachelor of Chemical Engineering and works as a chemical engineer in a technology firm. She decides to complete a Master of Engineering (Chemical) to extend her field of specialisation.

Ashran can claim a deduction for the course and associated study expenses as the course enables her to maintain or improve the skills specific to her current income-producing activities as a chemical engineer.

Seminars, conferences and training courses

You can claim a deduction for the cost of seminars, conferences and training courses that relate to your work as an engineer.

The costs you can claim includes fares to attend the venue where the seminar, conference or training course is held and registration costs. If you need to travel and stay away from home overnight to attend such an event, you can also claim the cost of accommodation and meals.

You may not be able to claim all of your expenses if attending a seminar, conference or training course is for both work-related and private purposes. If the private purpose is incidental, such as a catered lunch or a reception for delegates, you can still claim all your expenses. However, if the main purpose is not work-related, such as attending a conference while on a holiday, you can only claim the direct costs. Direct costs include the registration costs.

Where you have a dual purpose for attending the seminar, conference or training course. For example, you add a holiday of one week to a training course that runs for one week, then you can only claim the work-related portion.

Example: deductible seminar

Timothy is an environmental engineer. In order to maintain his continued professional development and professional accreditation he attends a Landfill Engineering and Environmental Management seminar. Timothy pays the registration fee to attend and isn't reimbursed by his employer.

Timothy can claim a deduction for the registration fee, as the seminar is related to his work as an environmental engineer. He takes a photo of the registration form, receipt of payment and records the expense in the myDeductions tool in the ATO app.

Example: conference expenses reimbursed

Jenny is a robotics engineer with an automotive manufacturer. She attends the annual International Conference on Mechatronics and Robotics Engineering to ensure she is up to date on the latest innovations in her field.

Jenny's employer pays for her flights, accommodation and registration to attend the three-day conference. All meals are

provided at the conference and are included in the registration fee.

Jenny can't claim a deduction for these expenses as she didn't incur any of the expenses.

Sunglasses, sunhats and sunscreen

You can claim a deduction for the work-related use of sunglasses, sunhats and sunscreen lotions if you:

- must work in the sun for extended periods
- use these items to protect yourself from the real and likely risk of illness or injury while at work.

This includes prescription sunglasses and anti-glare glasses.

You can only claim a deduction for the work-related use of these products if you also wear them for private purposes.

Example: claiming sunglasses

Hassan works for a civil engineering firm in far north Queensland. He regularly works at more than one location each day performing site inspections. He wears sunglasses for protection against the glare of the sun while driving from site to site and while working outside on site. He also needs to wear glasses while driving, for his short-sightedness.

He buys a pair of prescription sunglasses which counter the glare and protect his eyes from sun damage while he is driving and working outside on site. He also buys a pair of untinted prescription glasses for night driving.

Hassan can claim a deduction for the prescription sunglasses, but not for the untinted prescription glasses. The prescription sunglasses protect Hassan's eyes from glare and sun damage while he is carrying out his duties. Hassan's prescription glasses correct his vision and the cost of buying them is private.

If Hassan wears his prescription sunglasses for private purposes as well, he'll have to apportion the cost of them.

For more engineer expenses, see:

- [Engineer expenses A–F](#)
- [Engineer expenses G–O](#)
- [Engineer expenses T–W](#)

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Engineer expenses T–W

Details on claiming common engineer expenses.

Last updated 12 May 2025

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Tools and equipment

You can claim a deduction for tools and equipment you use to perform your duties as an engineer. For example, a calliper or scientific calculator.

You can only claim a deduction for the work-related use of the item.

If the tool or equipment cost you \$300 or less, you can claim a deduction for it in the year you buy it, if:

- you use it mainly to produce non-business assessable income
- it's not part of a set that together cost more than \$300

- it's not identical, or substantially identical to, other items that together cost more than \$300.

You can claim a deduction for the cost over the life of the item (that is, decline in value), if the tool or equipment:

- cost more than \$300
- is part of a set that together cost more than \$300
- is identical, or substantially identical to, other items that together cost more than \$300.

If you bought the tool or item of equipment part way through the year, you can only claim a deduction for the decline in value for the period of the income year that you own it. You also need to apportion your deduction if you use the item for private purposes. To work out your deduction use the **Depreciation and capital allowances tool**.

You can also claim a deduction for the cost of **insurance and repairs to tools and equipment** that you use for work purposes.

You can't claim a deduction for tools and equipment that your employer or a third party supplies for use.

Example: decline in value (no immediate deduction)

Amelia is employed as a mechanical engineer and needed a new set of 16 spanners for work. She couldn't afford the \$330 cost for the complete set, so she bought them all individually over the 2024–25 income year.

Although they only cost \$22 each, Amelia can't claim an immediate deduction for the spanners. This is because they are part of a set, she bought in the 2024–25 income year that cost more than \$300. Amelia can claim a deduction for the decline in value of the set, which in the end cost her \$352.

If in a following year, Amelia breaks one of the spanners and has to buy a replacement, she'll be able to claim an immediate deduction for the replacement because it won't be part of a set she bought in that year that cost more than \$300.

Example: effective life of tools

Tony buys an electric tool set on 5 September for \$1,500 and only uses it for work-related purposes.

He visits the ATO website and looks up the ruling on the effective life of depreciating assets. The ruling says the effective life of loose electric hand tools is 5 years.

Tony decides to use the prime cost method to work out his decline in value of the electric tool set. Tony works out that he held the tool set for 300 days during the income year and calculates his deduction for the decline in value of his tool set in this way:

$$\text{Asset cost} \times (\text{days held} \div 365) \times (100\% \div 5)$$

$$\$1,500 \times (300 \div 365) \times (100\% \div 5) = \$246$$

Tony can claim \$246 for the decline in value of his tool set in the first year. Using the same method, he will also be able to claim \$300 per year in the following 4 years and \$54 in the final (sixth) year.

If Tony used the electric tool set for private purposes as well, he would have to apportion his decline in value to account for this private use.

Travel expenses

You can claim a deduction for **travel expenses** you incur when your work requires you to both:

- travel for work
- sleep away from your home overnight in the course of performing your employment duties.

Expenses you can claim include your accommodation, meals and expenses which are incidental to the travel (incidentals). For example, travelling interstate for 3 nights to oversee on-site projects as part of your role as an electrical engineer.

You can't claim a deduction for travel expenses where you haven't incurred any expenses, because:

- you slept in accommodation your employer provides
- you eat meals your employer provides
- your employer or a third-party reimburses you for any costs you incur.

You also can't claim a deduction if you aren't required to sleep away from your home overnight in the course of performing your employment duties. For example, if you fly interstate for work and return home the same day, or you choose to sleep near your workplace rather than returning home.

Receiving an allowance from your employer doesn't automatically mean you can claim a deduction. In all cases, you must be able to show:

- you were away overnight
- you have spent the money
- the travel directly relates to earning your employment income
- how you work out your claim.

If you receive a travel allowance you must include it as assessable income in your tax return unless all of the following apply:

- the travel allowance is not on your income statement or payment summary
- the travel allowance doesn't exceed the Commissioner's reasonable amount (the reasonable amount is the amount we set each year for determining whether an exception from keeping written evidence applies for accommodation, meal and incidental expenses which are covered by a travel allowance)
- you spent the whole allowance on deductible accommodation, meal and incidental expenses, if applicable.

You must keep written evidence (such as receipts) for all your overseas accommodation expenses regardless of whether you receive an allowance. You don't have to keep written evidence for other travel expenses if both of the following apply:

- you receive a travel allowance from your employer for the expenses

- your deduction is less than the Commissioner's reasonable amount.

If you claim a deduction for more than the Commissioner's reasonable amount you need to keep receipts for all your expenses, not just for the amount over the Commissioner's reasonable amount.

Even if you are not required to keep written evidence such as receipts, you must be able to explain your claim and show you spent the amounts. For example, show your work diary, that you received and correctly declared your travel allowance and bank statements.

Example: living away from home allowance

Joe is a civil engineer. He lives in the city with his family and applied for a job to work on a large construction project near a country town for 12 months. He is paid a living-away-from-home allowance by the construction company to meet his accommodation and meal costs whilst working in the country town.

The allowance isn't income and shouldn't be shown on Joe's income statement. He can't claim a deduction for his accommodation and meal costs while living away for work.

Example: reasonable allowance amount

Alexis travels from Brisbane to Toowoomba for a job, she is away from home for 3 nights. Her employer pays her a travel allowance of \$110 per night to cover her accommodation, meals and incidentals. The allowance isn't shown on his income statement.

The travel allowance amount paid to Alexis is less than the reasonable allowance amount and she spends all of the travel allowance on her travel expenses.

Alexis doesn't include her allowance on her tax return because:

- it's not shown on her income statement
- it's less than the reasonable allowance amount

- she spends it all to cover her travel expenses.

This means Alexis can't claim a deduction for her expenses on her tax return.

For more information, see *TD 2024/3 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2024–25 income year?*

Union and professional association fees

You can claim a deduction for union and professional association fees you pay. You can use your income statement or payment summary as evidence of the amount you pay if it's shown on there.

Working from home expenses

You may be able to claim a deduction for **working from home expenses** you incur as an employee. These can be additional running expenses such as electricity, the decline in value of equipment or furniture, phone and internet expenses. You must:

- use one of the methods set out by us to calculate your deduction
- keep the records required for the method you choose.

There are some expenses you can't claim a deduction for as an employee, including:

- coffee, tea, milk and other general household items consumed while working from home which your employer may provide you at work
- costs that relate to your children's education, for example, iPads, desks, subscriptions for online learning
- expenses your employer pays for or reimburses you for, including setting up your home office
- the decline in value of items provided to you by your employer – for example, a laptop or a phone.

Generally, as an employee you can't claim **occupancy expenses** (rent, rates, mortgage interest and house insurance premiums), unless your home office is:

- your only place of work because no other work location is provided by your employer
- used exclusively or almost exclusively for work purposes.

The [Home office expenses calculator](#) helps you work out the amount you can claim as a deduction for home office expenses.

Example: working from home

Calvin is an employee civil engineer for ABC Pty Ltd, a company based in the Melbourne CBD. Calvin lives in a rented property in Geelong and wants to limit his need to commute to the office in the Melbourne CBD. His employer gives him permission to work mostly from home, but he needs to come into the office for team meetings and on other days as required.

Calvin sets up his spare room as his work office and he doesn't use it for any other purpose. Calvin can claim additional running expenses in respect of his home office.

Calvin can't claim any portion of his rent (occupancy expense) as it is a cost of maintaining a place to live and is domestic in nature. Calvin's employer provides him with an office to work from so his home office is not his only place of work.

For more information, see:

- [PS LA 2001/6 Verification approaches for electronic device usage expenses](#)
- [TR 93/30 Income tax: deductions for home office expenses](#)
- [PCG 2023/1 Claiming a deduction for additional running expenses incurred while working from home](#)

For more engineer expenses, see:

- [Engineer expenses A–F](#)
- [Engineer expenses G–O](#)
- [Engineer expenses P–S](#)

Find out about engineers:

- Income and allowances
- Record keeping for work expenses

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Record keeping for work expenses

Records you need to keep as evidence of your expenses and exceptions to keeping some records.

Last updated 12 May 2025

To claim a deduction, you need to get and keep records to prove you incurred the expense. You will also need to be able to show how the expense relates to earning your employment income.

For a summary of work-related expense records, download [Keeping records for work-related expenses \(PDF, 999KB\)](#) .

For most expenses you need a receipt or similar document from the supplier that shows all of the following:

- the name or business name of the supplier
- the amount of the expense or cost of the asset
- the nature of the goods or services that you purchase
- the date you purchase the goods or services
- the date the document was produced.

Your records must be in English where you incur the expense in Australia.

If your total claim for work-related expenses is more than \$300, you must have written evidence for all of your claims. For some expenses, you might also need a record such as diary or similar document.

However, there are some **record keeping exceptions** available in some circumstances.

For information about records you need for work-related expenses, see:

- Actual cost method for working from home expenses
- Clothing, laundry and dry-cleaning expenses
- Computers, laptops and software
- Expenses for a car you own or lease
- Expenses for a vehicle that isn't yours or isn't a car
- Fixed rate method for working from home expenses
- Home phone and internet expenses
- Keeping travel expense records
- Mobile phone, mobile internet and other devices
- Overtime meal expenses
- Self-education expenses
- Taxi, ride-share and public transport expenses
- Tools and equipment to perform your work

You can use the myDeductions tool in the ATO app to help keep track of your:

- work-related expenses (such as vehicle trips)
- general expenses (such as gifts and donations).

You can upload these records when you prepare your tax return, or share them with a tax agent at tax time to make lodging your tax return easier.

Find out about engineers':

- Income and allowances
- Deductions for work expenses

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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.

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