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Train drivers – income and work-related deductions

Train drivers' guide to income, allowances and claiming deductions for work-related expenses.

Last updated 22 May 2025

For a summary of common expenses, see [Train driver \(PDF, 413KB\)](#) .

Income and allowances

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

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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.

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Amounts you do and don't include

You must include all the income you receive as a train driver during the income year 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 a 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, tools and equipment
- as compensation for an aspect of your work such as working conditions or industry peculiarities – for example, dirty work

- 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 or payment summary](#).

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 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	Dirty work allowance On-call allowance	No These allowances don't help you pay for deductible work-related expenses
An amount for certain expenses	Overtime meal 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

Mario is an employee train driver. His employer requires him to relocate to another depot. Mario's employer pays him an allowance to cover the cost of finding accommodation at the new location and moving his household items. The relocation allowance is shown on Mario's income statement.

Mario must include the allowance as income in his tax return.

Although the allowance is paid to help Mario pay for his relocation expenses, he can't a deduction for the expenses he incurs. This is because he doesn't incur the relocation expenses in earning his income and they are private.

Example: allowance assessable, deduction allowed

Jasmine is a long-haul train driver. Jasmine requires certain hand tools on each of her shifts, so her employer pays her a tool allowance each week.

At the end of the income year, Jasmine's employer shows the total tool allowance (\$350) on her income statement.

During the income year, Jasmine buys a new hammer for \$49 and spanner set for \$125. She only used the tools for work.

Jasmine must show the allowance of \$350 as income on her tax return.

Jasmine can claim a deduction for the cost of the tools she buys and uses for work (\$174).

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 train drivers:

- **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 20 May 2025

For a summary of common expenses, see [Train driver \(PDF, 413KB\)](#) .

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 can 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.

When we say:

- 'local driver', we mean a driver who usually travels within a city or town and sleeps at home after completing their work. For example, metropolitan passenger drivers.
- 'short-haul driver', we mean a driver who usually travels between cities and towns but returns home to sleep after completing their work. For example, passenger or freight drivers who drive intrastate or interstate who aren't required to have a mandatory long rest break during their shift.
- 'long-haul driver', we mean a driver who sleeps away from home, as a long rest break is mandatory as part of their work. For example, passenger or freight drivers who drive intrastate or interstate who are required to have a mandatory long rest break during their shift.

Find out which expenses you can and can't claim as a train driver:

- [Train driver expenses A–F](#)

- Train driver expenses G–O
- Train driver expenses P–S
- Train driver 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 store records and 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 registered 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.

Train driver expenses A–F



Details on claiming train driver expenses.

Train driver expenses G–O



Details on claiming train driver expenses.

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Details on claiming train driver expenses.

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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 where you had 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 places 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 train driver directly to your second job as a safety instructor
- to and from an alternative workplace for the same employer on the same day – for example, travelling between depots or train stations for work
- from home directly to an alternative workplace – for example driving to a training provider's premises to undertake a course.

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 written 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 method 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 are not 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 deduction for home to work travel

William is a long-haul train driver. For each shift, he drives his own car to work and parks it in a secure parking centre. He wears his train driver uniform to work but carries a duffel bag containing a change of clothes, a pair of sneakers as well as his lunch and a drink bottle.

William can't claim expenses that he incurs for driving his car from home to work as the bag and its contents are not essential for him to perform his duties as a train driver and they are not considered bulky. The costs of travelling between home and work are private expenses.

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 at work.

'Conventional clothing' is everyday clothing worn by people regardless of their occupation – for example, jeans, polo shirts or sneakers worn by train drivers.

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 yourself from specific risks of injury or illness at work. For example, steel-capped boots or fire-resistant clothing.

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 drill pants and shirts, socks or closed shoes such as sneakers.

- **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.
- 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: compulsory uniform supplied by employer

Thomas is a train driver. His employer requires him to wear a uniform comprising of a white business shirt and dark grey business pants both with the rail logo embroidered on them.

The uniform was provided to Thomas as part of his induction pack at no cost to him. If the uniform is damaged, his employer will replace or repair it.

Thomas can't claim a deduction for the cost of buying or repairing his compulsory uniform as he doesn't incur any expenses.

Example: compulsory uniform with logo

Mikaela must buy and wear polo shirts with her employer's company logo embroidered on them. The employee guidelines include a requirement to wear professional black pants or a skirt and black shoes.

Mikaela can claim a deduction for the cost of buying the logoed shirts as they are a compulsory uniform (distinctive items with her employer's logo and compulsory for her to wear at work).

She can't claim a deduction for the cost of buying her black pants or skirt and shoes as they are conventional clothes. Even though her employer requires her to wear a specific colour, they are not distinctive enough to make them part of her uniform and are still conventional and the cost is private.

Example: protective shoes

Trung is a long-haul train driver. He delivers coal to mine sites. For safety reasons, the mine sites require anyone coming on site to wear steel-capped boots and a hi-vis vest.

Trung's employer provides him with a hi-vis vest but not with boots. Trung buys a pair of steel-capped boots for \$150 to wear while he is working.

Trung can't claim a deduction for the hi-vis vest. Although it is protective in nature, his employer provides the vest to him, so he does not incur any expense.

Trung can claim a deduction of \$150 for the steel-capped boots he purchased. The boots have protective qualities and protect him from the risk of injury while he is working.

Compulsory assessments

You can claim a deduction for compulsory assessments and medical examinations your employer requires you to take in your current

employment. For example, a fitness to drive assessment.

You can't claim a deduction for compulsory pre-employment assessments and medical examinations you take to obtain employment as a train driver. For example, a fitness to drive assessment you need to pass as a condition of employment.

Example: compulsory assessment you can't claim

Ros was interviewed for a new job as a train driver in regional NSW and is offered the position, subject to a condition. The condition was that, before commencing work, Ros must get a pre-employment medical assessment done and then provide the medical report to her employer.

The assessment and report cost Ros \$125.

Ros can't claim a deduction for this assessment and report, as it's a requirement for her to have this assessment to gain employment as a train driver.

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.

You can't claim a deduction if your employer pays for or reimburses you for the cost to obtain a special license or condition.

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.

Fines and penalties

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

Example: fine for speeding

Russell is a local train driver. Russell was caught breaking the speed limit while on duty and was issued with a fine by the relevant authority.

Russell can't claim a deduction for the cost of the fine.

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.

Example: first aid courses

Zac is currently employed as a train driver and is a designated first aid person. His employer pays for him to attend a first aid course, so he can assist if there is an emergency situation on his train.

As Zac's employer has paid for the course, Zac can't claim a deduction.

Zac could claim a deduction if he was to pay for the first aid course himself and his employer, does not reimburse him for this expense.

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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. 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. 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.

Laundry and maintenance

You can claim a deduction for the cost 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 of the clothing you wear at work from one of the categories above.

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

Example: laundering a compulsory uniform

Kelly is a short haul train driver. She drives between Albury and Melbourne each day. Kelly's employer provides her with a compulsory uniform that she is responsible for cleaning.

She washes, dries and irons her compulsory uniform in a separate load of washing twice a week. Kelly works for 40 weeks during the income year.

She calculates her claim of \$80 for laundry expenses as follows:

Number of claimable laundry loads per week × number of weeks × reasonable cost per load

$$2 \times 40 \times \$1 = \$80$$

As Kelly's total claim for laundry expenses is less than \$150, she isn't required to keep written evidence of her laundry expenses.

Although Kelly isn't required to keep evidence to prove her claim for laundry expenses, if asked, she will still be required to explain how she calculated her claim.

Licences, cards and permits

You can't claim the cost to get your initial licence, regulatory permit, cards or certificates to get a job. For example, a heavy vehicle permit.

You can claim a deduction for costs you incur to get or renew your licence, regulatory permit, card or certificate to continue to perform your work duties. For example, you can't claim the initial cost of getting your train drivers licence. However, you can claim the cost to renew it during the period you are working.

Meal and snack expenses

You can't claim a deduction 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't claim your meals expenses when you travel for work if you didn't need to:

- take a mandatory long rest break as part of your shift
- sleep away from home overnight for work.

You can only claim one of each meal type in a 24-hour period, even if you eat at unusual times. For example, you can't claim for 2 dinners in one day.

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).

Example: when you can't claim a meal expense

Matthew is a short-haul train driver who drives a passenger train from Sydney to Canberra. He then returns to his station in Sydney the same day. He buys food and drink during the course of the trip.

As this trip is part of Matthew's normal working day, he can't claim a deduction for the food and drink he buys.

Music streaming services, CDs, audio books or podcasts

You can't claim a deduction for music streaming services, CDs, audio books, podcasts or devices that you use in the train. Even if they're used to help relieve fatigue, these items aren't essential to earning your income. They are private expenses.

Newspapers and other news services, magazines and professional publications

The cost of newspapers, other news services and magazines and professional publications 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 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 not shown 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 and how you calculated your claim.

Example: deduction for overtime meal

Isiah is a train driver. Twenty times during the year he works overtime after completing his normal 8-hour shift. He receives an overtime meal break and overtime meal allowance of \$20 under the award each time this occurs.

Isiah generally buys and eats a meal costing \$15 during overtime. His income statement shows the overtime meal allowances as a separate allowance totalling \$400. That is, 20 overtime shifts \times \$20 = \$400.

In his tax return, Isiah includes the allowance as income and claims a deduction. He works out his deduction as:

$$\$15 \times 20 \text{ overtime shifts} = \$300$$

That is the actual amount he spent on overtime meals multiplied by the number of overtime shifts.

As the amount Isiah spent on his meals is less than the reasonable amount, Isiah doesn't have to keep receipts. However, if asked, Isiah will have to show that he spent the \$300 on overtime meals and how he worked out his claim.

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?*

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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 regular place of work. These are private expenses.

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

Example:

Troy has to drive out to meet another driver 20km away from the depot due to the driver having to take their mandatory long rest break. Troy takes over driving the train and the other driver drives his car back to the depot. Troy pays a road toll on his way to meet the other driver.

Troy can claim a deduction for the toll he pays. The toll is incurred while he uses his car for a work-related purpose.

Phone, data and internet expenses

You can claim a deduction for phone, data and internet costs if you use your own phone or electronic devices for work purposes.

If your 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.

For more information, see:

- [Mobile phone, mobile internet and other devices](#)
- [Home phone and internet expenses](#)

Example: calculating phone expenses

Violet is a train driver and she uses her phone for work purposes. She is on a set plan of \$49 a month.

She receives an itemised bill from her phone provider each month by email, which includes details of the individual phone calls she has made.

At least once a year, Violet prints out her monthly bill and highlights her work-related phone calls. She also makes notes on the itemised bill about who she has phoned for work – for example, her manager and depot.

Out of the 300 phone calls she has made in a 4-week period, Violet works out that 60 (20%) of the individual call expenses billed to her are for work and applies that percentage to her monthly plan amount (\$49 a month).

Violet works out her work-related mobile phone expense deduction as follows:

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

$$60 \div 300 = 0.20 \text{ (that is 20\%)}$$

Violet can claim 20% of the total bill of \$49 for each month for work purposes:

$$\$49 \times 0.20 = \$9.80$$

As Violet worked for 46 weeks of the year (10.6 months), she calculates her work-related mobile phone expense deduction as follows:

$$10.6 \text{ months} \times \$9.80 = \$103.88$$

Example: work and private use

Sylvia uses her computer and personal internet account at home to access her work emails, rosters and review online training courses when required. She uses her computer and the internet for private purposes.

Sylvia keeps a diary for a 4-week period, recording the times she used the internet for work and private purposes. Sylvia's diary shows 10% of her internet time was for work-related activities and 90% was for private use. As her internet service provider charge for the year was \$1,200, she can claim:

$$\$1,200 \times 0.10 = \$120 \text{ for work-related internet use}$$

If anyone else was accessing the internet connection, Sylvia needs to reduce her claim to account for their use.

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.

Seat covers

You can't claim a deduction for the cost of seat covers you use in your train for work. This is a private expense.

Self-education expenses

You can claim a deduction for **self-education expenses** if they directly relate to your employment as a train driver and at the time you incur the expense 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 for the self-education expense if at the time you incur the expense 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 and Higher Education Loan Program (HECS-HELP) scheme are not deductible.

Example: Education not related to current employment

John is a train driver but would like to start up his own transport business. He is completing a part-time course in Business Administration.

As the course doesn't have a connection to his current employment as a train driver, he can't claim a deduction.

Example: Education related to current employment

Frances is a train driver based in Lismore, NSW. She travels to Sydney to attend a 2-day course on shunting, coupling and uncoupling. The course will improve her skills in her current position.

Frances can claim a deduction for the course in addition to the cost of travel to and from the course, meals, incidentals and overnight accommodation in Sydney.

If Frances' employer pays for or reimburses her for these expenses, she can't claim a deduction.

Sunglasses, sunhats and sunscreens

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

- must work outdoors in the sun for prolonged periods
- use these items to protect you 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 the products if you also wear them for private purposes.

Example: claiming sunglasses

Harold drives long haul trains. He wears sunglasses to protect himself against the glare of the sun while driving the train. He also needs to wear prescription glasses while driving, for his short-sightedness.

He buys a pair of prescription sunglasses which counter the glare during day driving. He also buys a pair of untinted prescription glasses for night driving.

Harold can claim a deduction for the prescription sunglasses as they protect his eyes from the glare of the sun while driving the train. He can't claim a deduction for the untinted prescription glasses. These are a private expense as they do not provide protection from illness or injury while he is working or from his working environment.

If Harold also uses his prescription sunglasses for private purposes, he will need to work out his deduction based on the amount of work-related use.

For more train driver expenses:

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Train driver expenses T–W

Details on claiming train driver expenses.

Last updated 20 May 2025

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Taxi, ride-share, public transport and car hire

You can claim a deduction for transport costs if you travel in the course of performing your work. For example, taking a taxi to the depot or the station because you have reached your maximum driving hours, or your employer requires you to travel from the depot to another location to start your work.

You can't claim a deduction for transport expenses you incur to travel between home and your regular place of work because these are private expenses.

You can't claim a deduction if your employer reimburses you for these expenses.

Tools and equipment

You can claim a deduction for tools and equipment you use to perform your duties as a train driver. For example, protective equipment such as ear plugs.

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 **repairs to tools and equipment** that you use for work purposes.

You can't claim a deduction for items such as lunch boxes, travel mugs, coolers or similar items that you use to take food and drink to work, or to use at work. This will be the case even if you are travelling overnight for work. These expenses are private.

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

Example: deduction for tools essential to work

On 1 July, Alison a train driver buys a set of spanners for \$100.

She uses these tools at work during the week and at home on weekends to work on her car.

As the set of spanners cost less than \$300, Alison can claim an immediate deduction based on her work-related usage in the

year she buys them. She uses them 5 out of 7 days at work. A reasonable basis for calculating the deduction is:

$$5 \div 7 \times \$100 = \$71$$

If the set of spanners cost \$400, Alison can't claim an immediate deduction for the total cost of the spanners. She can claim a deduction for their decline in value over the effective life of the tools.

Alison looks up the ATO website on the effective life of depreciating assets. It states the effective life for hand tools is 10 years.

She works out the deduction for the decline in value of her spanner set using the prime cost method:

$$\text{Asset's cost} \times (\text{days held} \div 365) \times (100\% \div \text{asset's effective life}) \times \text{work use percentage}$$

She has held the spanner set for 365 days and her work use percentage is 71%, that is:

$$\$400 \times (366 \div 365) \times (100\% \div 10) \times 0.71 = \$28.48$$

Alison can claim a deduction of \$28 per year as deductible decline in value of her spanner set for 10 years.

Example: private expenses not deductible

Olivia is a train driver. She buys a travel mug to drink out of while she is driving as the movement of the train can cause spills.

Olivia can't claim a deduction for her travel mug. It is a private expense. This would be the case even if Olivia used the travel mug on a shift where she was required to travel for work and sleep away from home overnight.

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, if you're required to travel interstate for 3 nights to attend a work health and safety training course.

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 are not required to sleep away from your home overnight/take your mandatory long rest break in the course of performing your employment duties, for example if you drive a train interstate and return home the same day or without taking your mandatory long rest break
- 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 received 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: away from home overnight, no allowance

Joe is a long-haul train driver. He works shifts that require him to take a long mandatory rest break while travelling for work. He travels to a station where he hands the train over to another driver and takes his break at the company-paid accommodation.

Joe buys himself dinner at a restaurant nearby and breakfast at the local bakery. After his rest break, Joe takes over a train from another driver and drives back to his home depot. Joe doesn't receive a travel allowance for the travel.

Joe can't claim a deduction for the accommodation as his employer provides it and he incurs no cost.

Joe can claim the cost of his meals because he incurs the cost as a result of having to sleep away from home when travelling for work. As he didn't receive a travel allowance, he needs to get and keep receipts for the meal expenses he incurred.

Example: travel allowance not on income statement

Juan is a long-haul train driver. He travels away from home for 4 nights. His employer pays him a travel allowance of \$50 to cover his food and drink for each night that Juan was away (a total of \$200 for the journey). Accommodation is provided by Juan's employer at the depots he stops at for his mandatory long rest breaks. The allowance is less than the reasonable amount and is not shown on his income statement.

Juan spent the whole \$200 on food and drink while travelling away from home for work. Juan is not required to include the amount as income in his tax return as:

- his allowance is not shown on his income statement
- his allowance doesn't exceed the reasonable amount set
- he spent the whole amount on deductible expenses
- he did not spend more than the reasonable amount.

Juan can't claim any deductions for the amounts he spent on food and drink.

Juan can't claim a deduction for accommodation because he stays in employer provided accommodation.

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.

Watches and smart watches

You can't claim a deduction for the cost of buying or maintaining watches or smart watches, even if they are required as part of your uniform. This includes chronograph watches as they are a private expense.

However, you can claim a deduction if your watch has special characteristics that you use for a work-related purpose. For example, a nurse's fob watch.

If the watch cost more than \$300, you can claim a deduction for its decline in value over the effective life.

You can claim a deduction for the cost of repairs, batteries and watchbands for special watches. You only claim a deduction for the amount you use the item at work if you also wear it for private purposes.

Similar to ordinary watches, a smart watch (that connects to a phone or other device to provide notifications, apps and GPS, for example) is a private expense and not deductible under ordinary circumstances.

However, if you require some of the smart watch's functions as an essential part of your employment activities, you may be able to apportion the expense between your private and work use. In order to show your work-related use of the watch, you will need to keep a diary or similar record of your use of the watch for a representative period.

Example: smart watch not deductible

Birrani is a local train driver and drives trains across the Sydney rail network to a strict time schedule.

Birrani buys a watch which he uses to check that his train is running on time.

Even though Birrani uses his watch while working, he can't claim a deduction for buying and maintaining the watch as the expenses are private in nature.

For more train driver expenses:

- Train driver expenses A–F
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Find out about train drivers:

- 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.

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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.

They 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 the specific 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 registered tax agent at tax time to make lodging your tax return easier.

Find out about train drivers:

- Income and allowances
- Deductions for work expenses

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