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# Factory workers – income and work-related deductions

Factory worker's guide to income, allowances and claiming deductions for work-related expenses.

**Last updated** 11 May 2026

For a summary of common expenses, see [Factory workers \(PDF, 475KB\)](#) .

## 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.

## 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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## 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 during the income year as a factory worker 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:

- 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, handling hazardous materials
- 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 deductible 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 deductible work-related expenses, to claim a deduction you:

- must 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	Deductible (Yes or No)
<b>Compensation for an aspect of your work that is unpleasant, special or dangerous or for industry peculiarities</b>	Artificial fertilizers and chemicals allowance  Cleaner, greaser or oiler allowance	No  These allowances don't help you pay for deductible work-related expenses
<b>An amount for certain expenses</b>	Motor vehicle allowance	Yes  If you incur deductible expenses
<b>An amount for special skills</b>	A first aid certificate	Yes  If you incur deductible expenses

### **Example: allowance assessable, no deduction**

Mario is an employee factory worker. Mario's employer snap freezes fresh fruit and vegetables and packages them. Mario's role requires him to work in a particular section of the factory that must be kept at below 0 degrees Celsius.

Mario's employer pays him a cold places allowance of 66c per hour. The allowance is shown on his income statement at the end of the income year.

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

The allowance compensates Mario for an aspect of his work that is special. It is not to help him pay for deductible work-related expenses.

Mario can't claim a deduction because he hasn't incurred any expenses.

### **Example: allowance assessable, deduction allowed**

Doris is an employee factory worker. On 5 occasions during the income year, Doris is asked to work overtime. Under the terms of the industrial award, Doris's employer pays her an overtime meal allowance of \$15.24 each time she works overtime.

On her overtime meal break Doris buys and eats a meal at the cafeteria onsite. Doris usually spends \$20 on her meal.

At the end of the income year, Doris's employer shows the total overtime meal allowance paid to Doris on her income statement ( $\$15.24 \times 5 = \$76.20$ ).

Doris must include the total amount of the allowance (\$76.20) as income in her tax return.

Doris can claim a deduction of \$100 ( $\$20 \times 5 = \$100$ ) for overtime meals in her tax return.

## **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 is not an allowance.

If your employer reimburses you for expenses you incur, you:

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

### **Example: reimbursement for protective eyewear**

Beth is an employee at a factory manufacturing items that require certain chemicals. Beth needs to wear protective eyewear to protect her eyes from the risk of damage that may occur if the chemicals splash into her eyes. Beth has the option of wearing the protective eyewear her employer provides or she can buy protective eyewear that meets specific requirements and request a reimbursement.

The protective eyewear Beth's employer provided doesn't fit her face so she buys a pair that fit her better for \$50. Beth's employer reimburses her \$50 for the protective eyewear.

Beth doesn't need to include the reimbursement from her employer as income in her tax return.

Beth can't claim a deduction for the cost of protective eyewear.

Find out about factory workers':

- Deductions for work expenses
- Record keeping for work expenses

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## Deductions for work expenses

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

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### Claiming deductions

For a summary of common expenses, see [Factory workers \(PDF, 475KB\)](#) .

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 portion of the expense.

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 a factory worker:

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

To help you work out if you can and can't claim a deduction, and the records you need, for expenses not covered in this guide, and for more information and examples on expenses that are covered, see [Employees guide for work expenses](#).

## Keeping records

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.

## Factory worker expenses A–F



Details on claiming factory worker expenses.

## Factory worker expenses G–O



Details on claiming factory worker expenses.

## Factory worker expenses P–S



Details on claiming factory worker expenses.

## Factory worker expenses T–W



Details on claiming factory worker expenses.

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# Factory worker expenses A–F

Details on claiming factory worker expenses.

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## Car expenses

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

- live a long way from your usual workplace
- must 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.

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 only 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.

### **Example: travel from home to work**

Geoffrey uses his car to travel between his home and the factory he works at. He carries his steel-capped boots that is he must wear when working and some hand tools which uses.

Geoffrey can't claim a deduction for the car expenses he incurs for the trips between his home and the factory every day. The tools and equipment Geoffrey carries each day to work are not bulky. The travel is a private expense.

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, driving from your job as a factory worker to your second job as a bar assistant
- to and from an alternative workplace for the same employer on the same day – for example, driving between a warehouse and another work site
- from home directly to an alternative workplace – for example, travelling from home to your employer's head office to attend a meeting.

### **Example: travel between workplaces for different employers**

Mick is an employee in a factory manufacturing beds. Mick also works at a bar part-time. On a Thursday and Friday, after his shift at the factory finishes, he travels directly to his shift at the bar.

Mick can claim a deduction for the car expenses he incurs for the trips directly from the factory to the bar on a Thursday and Friday.

### **Example: travel to an alternative workplace**

David is an employee factory worker. Once a month, David drives from the factory he works at to his employer's head office to attend a meeting. After the meeting, David drives home.

David can claim a deduction for the expenses he incurs for the trips from the factory to his employer's head office. David can also claim a deduction for the expenses he incurs for the trips from his employer's head office to his home.

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.

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.

When you claim a deduction for 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, decline in value or insurance costs.

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

- motorcycle or similar vehicle
- vehicle with a carrying capacity of one tonne or more (such as a ute)
- vehicle that can transport 9 passengers (including the driver) 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 show 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**.

## **Child care, school fees and other education expenses**

You can't claim a deduction for **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.

You can't claim a deduction for the cost of educating your children (or any other students) including school fees, university fees and TAFE fees. You also can't claim other expenses you incur for your children's education, for example, the decline in value of iPads, laptops or desks, calculators, notebooks and pens. These are private expenses that are not connected with earning your employment 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, jeans and t-shirts worn by factory workers

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 boiler suits that protect conventional 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 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.

- 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 with logo**

Mike has to buy and wear shirts with his employer company logo embroidered on it. As part of his uniform, he also has to wear plain black pants and black shoes.

Mike can claim a deduction for the cost of buying and maintaining the shirts as they are:

- distinctive items with the employer's logo
- compulsory for him to wear at work.

However, he can't claim the cost of buying or cleaning his black pants or shoes as they are items of a conventional nature.

### **Example: employer registered uniform with AusIndustry**

Leda is a factory worker, and she also works in the reception area for a number of hours each day. Reception staff wear a polo shirt in the company's colours monogrammed with the company logo. It's not compulsory for a staff member to wear the polo shirt, but the employer encourages staff members to do so. Leda's employer has registered the shirt with the Register of

Approved Occupational Clothing and she wears the uniform at work.

Leda can claim a deduction for the cost of buying and maintaining the polo shirt. The shirt is a non-compulsory uniform that has been registered with the Register of Approved Occupational Clothing and she wears the uniform at work.

### **Example: protective clothing**

Renee is an employee factory worker. At the end of her shift, Renee must use a high-pressure water hose to wash down the equipment in her section of the factory. To protect herself from getting wet and from the dirt that comes off the equipment, Renee wears a waterproof jacket, waterproof pants and gum boots. Renee's employer provides these items.

The waterproof jacket, waterproof pants and gum boots are protective clothing. The items protect her from the risk of illness and injury and they also protect her clothing. However, Renee can't claim a deduction for the protective clothing because she did not buy them.

## **Drivers licence**

You can't claim a deduction 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.

## **Fines and penalties**

You can't claim a deduction for any **fines or penalties** whether they are incurred in connection with work, or for any reason. Fines may include parking and speeding fines or penalties.

### **Example: speeding fine**

Chris works in a factory as a supervisor. He travels from the factory to the warehouse to pick up some parts that are required. On his way to the factory, Chris gets a speeding fine which he pays.

Chris can't claim a deduction for the speeding fine even though he was travelling for work purposes at the time he was fined.

## **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 factory worker expenses, see:

- [Factory worker expenses G–O](#)
- [Factory worker expenses P–S](#)
- [Factory worker expenses T–W](#)

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## **Factory worker expenses G–O**

Details on claiming factory worker 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. Protective glasses include anti-glare or photochromatic glasses, sunglasses, safety glasses or goggles.

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

## **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
- 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.

To work out your laundry expenses, you can claim a rate of:

- \$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 incur for repair and dry-cleaning expenses.

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 be able to show how you work out your claim. This isn't an automatic deduction.

## Example: laundering a deductible compulsory uniform

Che is an employee factory worker. Che must wear a compulsory uniform whenever she is on duty and is also responsible for washing it. Che washes her compulsory uniforms 3 times a week in a mixed laundry load. During the income year, Che works for 50 weeks.

Che calculates her deduction for laundry expenses as follows:

$$3 \text{ washes per week} \times \$0.50 \text{ per load} \times 50 \text{ weeks in the year} = \$75$$

As Che's claim is less than \$150, she isn't required to keep written evidence of her laundry expenses. However, if asked, she will still need explain how she calculates her claim.

## Licences, permits and cards

You can't claim the costs to get your initial licence, regulatory permit, cards or certificates in order to get a job.

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 to get it, however you can claim the cost of renewing 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 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: meal expenses not deductible**

Sylvie works at a pharmaceutical manufacturing factory. The factory runs 24 hours a day and Sylvie does the early morning shift which starts at 4:30 am and finishes at 1:30 pm.

During her meal break, Sylvie buys breakfast and a coffee.

Sylvie can't claim a deduction for the cost of her breakfast and coffee which she buys while working her normal early morning shift. The expenses are private expenses.

## **Music streaming services, CDs, audio books or podcasts**

You can't claim a deduction for the cost of music streaming services, CDs, audio books, podcasts or devices that you use at work. Even if they're used to keep you motivated or occupied at work, 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 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 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 work out your claim.

### **Example: overtime meals**

Moana completes her 8-hour shift and is asked to work for an additional 3 hours. She is given a meal break and paid a meal allowance of \$20 under her enterprise bargaining agreement.

Moana buys and eats a meal during her overtime which costs her \$40. The reasonable amount for overtime meals for the relevant income year is \$38.65.

Moana can claim a deduction for \$40 as she buys and eats the meal while she is working overtime. As Moana's claim for her meal is more than the reasonable amount, she will need to keep written evidence for her overtime meal. Moana gets a receipt and

takes a photo of it using the myDeductions tool in the ATO app so she can upload it in myTax when she lodges her tax return.

Moana doesn't need to keep the paper receipt as she has a digital copy stored electronically.

For more information, see *TD 2025/4 Income tax: reasonable travel and overtime meal allowance expense amounts for the 2025–26 income year*.

For more factory worker expenses, see:

- [Factory worker expenses A–F](#)
- [Factory worker expenses P–S](#)
- [Factory worker expenses T–W](#)

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## Factory worker expenses P–S

Details on claiming factory worker expenses.

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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 your regular place of work. This is a private expense.

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

### 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 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 written evidence of the total amount you incurred for phone, data and internet and 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 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: working out phone expenses**

Daniel is a factory manager and he uses his personal mobile phone for work purposes when onsite. He is on a set mobile plan of \$49 a month.

He receives an itemised bill from his phone provider each month that includes details of his individual phone calls.

At least once a year, Daniel prints out his monthly bill and highlights his work-related calls. He also makes notes on the itemised bill about who he has called – for example, his staff and suppliers.

Out of the 300 phone calls he made in a 4-week period, Daniel works out 30 (10%) of the phone calls are for work. He applies that percentage to his monthly plan amount (\$49 a month).

He works out his claim for phone calls for work purposes as follows:

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

$$30 \div 300 = 0.10 \text{ (that is 10\%)}$$

Daniel can claim 10% of the total bill of \$49 for each month for work purposes:

$$\$49 \times 0.10 = \$4.90$$

Since Daniel was at work for 46 weeks of the year (10.6 months), he works out his work-related mobile phone expense deduction as follows:

$$10.6 \text{ months} \times \$4.90 = \$51.94$$

## 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 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 **safety glasses**, helmets and breathing masks.

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 you for the cost you incur to buy protective items.

### Example: deduction for protective equipment

Wiremu works in a food manufacturing factory. Wiremu buys a pair of safety glasses and good quality ear plugs as he must wear them while he's on duty. If Wiremu doesn't wear these items, he is at risk of injuries to his eyes and damaging his hearing.

Wiremu can claim a deduction for the cost of the safety glasses and ear plugs. These items protect him from the risk of injury

while he is carrying out his employment duties.

## 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 they directly relate to your employment as a factory worker 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 you incurred 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 and study 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.

You can claim a deduction for transport expenses for:

- travel between your home and the place of education and then back home
- the first leg of the trip
  - when you travel from home to the place of education and then on to work

- when you travel from work to a place of education and then home
- travel between work and the place of education and then back to work.

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

While course or tuition fees may be deductible, fees you incur under the HECS-HELP scheme are not deductible.

### **Example: course to improve skills and knowledge**

Frank is an apprentice metal machinist. He works in a factory and attends technical college to undertake his apprenticeship course for 2 consecutive days each fortnight.

Frank's employer's pay for his course fees but they don't pay for any of his other expenses. Frank travels from his home to the technical college by public transport and buys the textbooks he needs for his apprenticeship course.

Frank can claim a deduction for the cost of taking public transport to and from his home to the technical college and for the cost of his textbooks. The course Frank is taking improves the skill and knowledge he requires for his current duties. The

course will also result in an increase in pay from his current employment.

Frank can't claim a deduction for the course fees because he doesn't incur the cost. His employer pays for the course fees directly.

### **Example: course doesn't have connection with current duties**

Paolo works on a production line in a factory. He has recently arrived from overseas and is doing a language course to improve his English speaking skills. Paolo's enrolls in the course after encouragement from his employer.

Paolo can't claim a deduction for the costs of this course. The course doesn't relate to his current income-earning activities. Even though Paolo's employer encourages him to enrol in the course, the expenses are private. The course is too general.

## **Seminars, conferences and training courses**

You can claim for the cost of **seminars, conferences and training courses** that relate to your work as a factory worker.

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 you can only claim the work-related portion. For example, if 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: work-related training course**

Ethan works as a production manager in a factory producing solar panels. He attends a 5 day training course in Sweden dealing with how to reduce the environmental impact of manufacturing solar panels and the cost efficiencies it creates.

Ethan's employer pays for the training and his flights to Sweden, but Ethan pays for his accommodation and meals while he is there.

Ethan arrives the night before the course commences and travels home the day after it finishes.

Ethan can claim a deduction for the cost of his accommodation and meals while he is in Sweden attending the training course. The course relates to his current duties as a production manager in a solar panel factory and his sole purpose for the travel to Sweden is to attend the course.

Ethan can't claim a deduction for the cost of the training or his flights because he did not incur that cost. His employer pays for those expenses directly.

## **Stationery**

You can claim a deduction for the cost of logbooks, diaries, pens and notepads that you buy and use for work-related purposes.

For more factory worker expenses, see:

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

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## Factory worker expenses T–W

Details on claiming factory worker expenses.

**Last updated** 11 May 2026

### Taxi, ride-share, public transport and car hire

You can't claim a deduction for **transport expenses** (taxi, ride-share, public transport or car hire) between home and work, these are private expenses.

You can claim a deduction for transport costs if you travel in the course of performing your work. For example, taking a taxi from your regular workplace to another work location.

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** if you use them to perform your duties as a factory worker, such as an air compressor, drill or hammer as well as tool insurance.

You can only claim a deduction for your 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 tools and equipment that are supplied by your employer or a third party.

### **Example: decline in value of tools**

Stanley is a wood processing factory worker who owns an electric saw. He uses the saw at work during the week and at home on weekends for his home renovations. He bought the electric saw for \$650 on 1 October 2025.

Stanley can claim a deduction for the decline in value of the electric saw. However, he can only claim a portion of the decline in value that relates to his work use of the electric saw. Stanley can also only claim for the period of the income year that he owns the saw.

Stanley checks the effective life and finds it is 5 years and decides to use the prime cost method. As Stanley uses the saw 5 days per week for work and 2 days for private purposes, he calculates his work-related use as 5 days ÷ 7 days.

Stanley calculates his deduction as:

$$\text{Asset's cost} \times [\text{days held} \div 365] \times [100\% \div \text{Asset's effective life}] \times \text{work-related use}$$

$$\begin{aligned} & \$650 \times [273 \text{ days} \div 365 \\ & \text{days}] \times [100\% \div 5 \text{ years}] \times [5 \text{ days} \div 7 \text{ days}] = \$69.45 \end{aligned}$$

Stanley claims a deduction of \$69.45 for the decline in value of his electric saw in his income tax return.

## Travel expenses

You can claim a deduction for **overnight 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, when you travel interstate to attend a work-related conference, seminar or training course.

You can't claim a deduction for travel expenses where you don't incur any expenses, because you either:

- 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 in the course of performing your employment duties, for example, if you fly interstate for work and return home the same day
- 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 shown 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.

For more information, see *TD 2025/4 Income tax: reasonable travel and overtime meal allowance expense amounts for the 2025–26 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.

**For more factory worker expenses, see:**

- **Factory worker expenses A–F**

- Factory worker expenses G–O
- Factory worker expenses P–S

Find out about factory workers:

- 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** 11 May 2026

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 \(PDF, 331KB\)](#) .

For most expenses you need written evidence, that is, 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 factory workers':

- Income and allowances
- Deductions for work expenses

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