



Australian Government
Australian Taxation Office

Earthmoving plant operators - claiming work-related expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/>
- Last modified: 05 Jul 2011
- QC 24380

Obtain a printed copy of this publication



You can order a printed copy of Earthmoving plant operators - claiming work-related expenses (NAT 73821) by noting the **full title** of the publication and either:

- visit our [Online publications ordering service](#)
- phone the Publications Distribution Service between 8.00am and 6.00pm, Monday to Friday on **1300 720 092**.

About this guide

This guide will help you work out what work-related expenses you can claim a tax deduction for as an employee, and the conditions you must meet before you can claim, if you operate a plant to:

- excavate earth, ore and rock
- break-up pavement, road rock and obstructions
- move and load earth, rock and debris
- level, smooth and compact surfaces.

The guide looks at:

- motor vehicle expenses, including car lease payments
- travel expenses and associated allowances
- uniform, occupation specific or protective clothing, including laundry and dry-cleaning expenses
- other expenses such as meals, phone, mobile and computer running costs.

If you work in the construction or building industry there may be other deductions you can claim that are not included in this publication.



For more information, refer to [Building and construction employees - claiming work-related expenses](#).



When you complete the declaration on your income tax return, you are declaring that:

- everything you have told us is true
- you can support your claims with written evidence.

You are responsible for providing proof of your expenses, even if you use a registered tax agent to prepare your return.

When you can make a claim

In most situations, you can claim deductions for work-related expenses as long as your claim meets the following conditions:

- you incurred the expense in doing your job
- the expense is not private
- you can show you incurred the expense by producing receipts or other written evidence.



If you are claiming a deduction for an expense that you incurred partly for work and partly for personal purposes (such as mobile phone costs), you can only claim that portion of the expense that relates to your work use.

Supporting your claims

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=2>
- Last modified: 05 Jul 2011
- QC 24380

If your total claims add up to more than \$300 (excluding claims for car, meal allowance, award transport payment allowance and travel allowance expenses), you must keep written evidence, such as receipts. Your written evidence must show you have incurred the full amount of your claim, not just the amount over the first \$300.

If the total amount you are claiming is \$300 or less, you do not need to keep receipts, but you must be able to show how you worked out your claims.

You need to keep your written evidence of work-related expenses for five years from the due date for lodging your tax return. If you lodge your return after the due date, the five years start from this later date.

For depreciating assets, you must keep records for a further five years from the date of your last claim for decline in value.

Work-related daily travel expenses

Travel expenses that you claim must directly relate to your work as an employee. These expenses may include:

- work-related car expenses
- expenses for motorcycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers
- actual expenses - such as any petrol, oil and repair costs if you travel in a car that is owned or leased by someone else
- public transport - including taxi fares
- bridge and road tolls
- parking fees
- short term car hire.

Generally, the cost of normal trips between home and work is a private expense for which you cannot claim an income tax deduction. However, as an employee there are certain situations where you may be able to claim deductions for travel between your home and workplace.

Transporting bulky tools and equipment

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=3>
- Last modified: 05 Jul 2011
- QC 24380

You can claim the cost of using your car or vehicle to travel between your home and work if:

- you have to carry bulky tools and equipment you need to use at work
- it is essential to transport the equipment to and from work and it is not done as a matter of convenience or personal choice
- there is no secure storage area at your workplace.

Example 1

Clive, an excavation operator, usually leaves his bulky tools and equipment in a secure area at the work site. His employer requires him to go to a different site the next day, so he takes the tools and equipment home.

The cost of Clive's travel home and to the work site the next day is an allowable deduction as it can be attributed to the transport of bulky equipment.

Example 2

Paul is an earthmover. His employer provides a secure tools storage area at his workplace. However, Paul chooses to transport his tools to and from work every day.

Because Paul chooses not to use the secure tools storage area at his work, he cannot claim a deduction for the expenses he incurs to transport his tools between his home and work.

Shifting workplaces

You can claim the cost of travelling between your home and work if you have shifting workplaces - that is, you regularly work at more than one site each day before returning home.

Example 3

Frank operates heavy equipment for site establishment works, including the clearing and removal of demolition spoil on construction sites. Frank is regularly dispatched by his employer to a different site each day. When he finishes work each day, his employer tells him where he will be required to work the next day. He regularly has to travel to more than one site each day, although on occasions he may stay at a site for a few days. He does not receive any allowances from his employer.

Frank can claim a deduction for transport costs as he has shifting places of work. It is not considered that his home is a base of operations.

Travelling between workplaces

Work-related daily travel expenses also include the cost of travel:

- directly between two separate workplaces - for example, when you have a second job
- from your normal workplace to an alternative workplace, while you are still on duty, and back to your normal workplace or directly home (see Example 5 below)
- from your home to an alternative workplace and then to your normal workplace or directly home - for example, if you travel to a client's premises to work there for the day.

Example 4

Greg travels from his normal work site to his employer's head office to attend a meeting. After the meeting he travels directly home. The cost of each journey is an allowable deduction to Greg.

Example 5

Ben, a bobcat operator, arrives at the work site and is directed by his employer to go to a work site in another suburb for the day to cover for another operator who is sick. The cost of Ben's travel between his normal work site and the alternate site, and then home, is an allowable deduction.

Motor vehicle expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=4>
- Last modified: 05 Jul 2011
- QC 24380

How you work out your claims and what records you need to keep will depend on whether the motor vehicle you use is considered to be a car and whether you own or lease it.



To claim your daily travel car expenses see [Claiming car expenses](#).

If your vehicle is not a car, see [Claiming expenses for vehicles other than cars](#).

Working out if your vehicle is a car

Your vehicle is considered not to be a car if it is any of the following:

- a vehicle with a carrying capacity of one tonne or more, such as a utility truck or panel van
- a vehicle with a carrying capacity of nine passengers or more, such as a minivan
- a motorcycle.

To determine whether your vehicle has a load carrying capacity of one tonne or more you will need to refer to the manufacturer's handbook for your vehicle. The load carrying capacity of your vehicle is the difference between the gross vehicle mass and the kerb weight.

Example 6

Loc owns a vehicle with a gross vehicle mass of 2,402 kg and a kerb weight of 1,040 kg, therefore the payload or carrying capacity weight of Loc's vehicle is:

$$2,402 \text{ kg} - 1040 \text{ kg} = 1,362 \text{ kg}$$

As the vehicle's payload or carrying capacity is greater than 1,000 kg (or one tonne) Loc's motor vehicle is considered to be a 'vehicle other than a car'.

Loc therefore cannot claim using one of the four car expense methods. However, Loc may claim actual vehicle expenses to the extent that the vehicle is used for work purposes.

Claiming car expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=5>
- Last modified: 05 Jul 2011
- QC 24380

If you are entitled to claim a deduction for your work-related car expenses, there are four methods you can use to work out the amount you can claim.

The four methods are the:

- cents per kilometre method
- logbook method
- 12% of original value method
- one-third of actual expenses method.



Remember, your car expenses do not include capital costs such as the purchase price of your car or the cost of improvements you make to it.

The two methods most commonly used by plant operators are:

- cents per kilometre method
- logbook method.

Cents per kilometre method

You can use this method to claim up to a maximum of 5,000 work kilometres even if you have travelled more than 5,000 work kilometres. For example, even if you have travelled 5,085 work kilometres, you cannot claim for the extra 85 kilometres.

When working out your deduction using the cents per kilometre method, you do not need receipts or other written evidence but we may ask you how you worked out your estimate of work kilometres. For example, by:

- using a diary of work-related travel
- basing your costs on a regular pattern of travel.

Example 7

Reuben travels five kilometres each day while carrying out work-related activities. He worked Monday to Friday for 48 weeks during the 2011 income year. It would be reasonable for Reuben to calculate his work kilometres in the following way:

$5 \text{ (km)} \times 5 \text{ (days)} \times 48 \text{ (weeks)} = 1,200 \text{ work kilometres for the 2011 income year.}$



Refer to the [Work-related car expenses calculator](#) to help you calculate your claim.

Logbook method

The logbook method provides a way of working out the percentage of your car use that is for work purposes. You can then claim a deduction for this percentage of each car expense you incur.

When using the logbook method, you must keep all of the following:

- A logbook. To work out the percentage of your car use that was for work purposes your logbook must cover a period of 12 continuous weeks and is valid for five years.
- Odometer records. Record your opening and closing odometer readings for each year you use the logbook method.
- Written evidence for all your car expenses. You can use your odometer records to estimate your fuel and oil costs instead of keeping receipts.



You can claim a deduction for the decline in value (depreciation) of your car up to the value of the luxury car limit if you use either the logbook or the one-third of actual expenses method.



For more information about the four methods of claiming car expenses, refer to [D1 - Work-related car expenses](#).

Claiming expenses for vehicles other than cars

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=6>
- Last modified: 05 Jul 2011
- QC 24380

If you are eligible to claim your vehicle expenses and your vehicle has a carrying capacity of one tonne or more, such as a panel van or utility truck, you can only claim your actual expenses.

Your actual expenses include the cost of:

- fuel and oil
- repairs and servicing
- interest on a car loan
- lease payments
- insurance
- registration.

If you use your vehicle for both work and private purposes, you can use a diary to show how much of your expenses relate to each. Remember to keep receipts for your actual expenses - this includes for fuel and oil costs. Bank statements and credit card transaction receipts are not sufficient evidence for fuel and oil purchases, you need to keep your actual receipts.



For more information about claiming expenses for vehicles other than cars, refer to [D2-Work-related travel expenses](#).

Parking expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=7>
- Last modified: 05 Jul 2011
- QC 24380

A deduction is allowable for parking fees (but not fines) and tolls if the expenses are incurred while you are travelling:

- between two separate places of work
- to a place of education for work-related self-education purposes (if the self-education expenses are deductible)
- in the normal course of duty and the travelling expenses are allowable deductions. See [Work-related daily travel expenses you can claim](#).

Otherwise, the cost of that travel is a private expense and the parking fees and tolls are not claimable.



If your employer has business or associated premises and you park in the vicinity of those premises for more than four hours a day, your parking expenses may not be allowable.

Other daily travel expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=8>
- Last modified: 05 Jul 2011
- QC 24380

You will need to keep records for other daily travel expenses such as:



- car parking
- bridge and road tolls
- taxi and bus fares.

Work-related daily travel expenses you cannot claim

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=9>
- Last modified: 05 Jul 2011
- QC 24380

Unless you meet the conditions of [Work-related daily travel expenses you can claim](#), generally you cannot claim a deduction for normal trips between work and home, even if:

- you worked outside normal business hours - for example shift work or overtime
- you are on call
- you do minor tasks such as picking up mail on the way to work or home
- you live a long distance from work
- there is no public transport available so you used a car.

	You cannot claim a deduction for any fines receive, such as speeding or parking infringements.
	For more information about what trips you can claim, refer to Car and travel expenses .

Work-related overnight travel expenses

When you can make a claim


- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=10>
- Last modified: 05 Jul 2011
- QC 24380

You can claim a deduction for travel expenses you pay where:

- your employer requires you to do your work away from your usual workplace for a short period, and
- you are required to sleep away from home for one or more nights while you are doing that work.

Overnight travel expenses include:

- meals, accommodation and incidental expenses
- car, air, bus, train, tram, ferry and taxi fares
- bridge and road tolls
- car parking
- car hire fees
- visa application fees.

 If you are claiming overnight travel expenses and you received a travel allowance from your employer, you must record the allowance as income on your tax return.

Keeping records of your overnight travel expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=11>
- Last modified: 05 Jul 2011
- QC 24380

If you wish to claim meal, accommodation and incidental expenses you incurred while away overnight for work, use the following table to determine what evidence you need. You can claim a deduction for the full amount of your overnight travel expenses without keeping all your records if:

- you receive a travel allowance that could reasonably be expected to cover your accommodation, meals or expenses incidental to the travel (a token amount paid as a travel allowance is not accepted as reasonably covering such costs)
- your overnight travel expenses were equal to or less than the reasonable allowance amount we set.

However, we may ask you to explain how you worked out the amount you claimed.

For more information on travel allowances, see [Allowances](#).



Definitions

A travel diary is a document in which you record the dates, places, times and duration of your activities and travel.

Written evidence includes:

- invoices, receipts or other documents showing your travel expense details. If it is too difficult to get a receipt for a meal you purchased - for example, if you purchase a meal from a vending machine - you can keep diary entries as your proof of purchase
- other documents (such as diary entries) for bus, train, tram and taxi fares, bridge and road tolls and parking fees.

Table: Evidence you need to claim



Travel expense records				
	Domestic travel		Overseas travel	
	Written evidence	Travel diary	Written evidence	Travel diary
If you did not receive a travel allowance:				
Travel less than 6 nights in a row	Yes	No	Yes	No
Travel 6 or more nights in a row	Yes	Yes	Yes	Yes

If you received a travel allowance and your claim does not exceed the reasonable allowance amount:

Travel less than 6 nights in a row	No	No	No	No
Travel 6 or more nights in a row	No	No	No	Yes

If you received a travel allowance and your claim exceeds the reasonable allowance amount:

Travel less than 6 nights in a row	Yes	No	Yes	No
Travel 6 or more nights in a row	Yes	Yes	Yes	Yes

	<p>We set the reasonable allowance amount for your circumstances in an annual taxation determination that explains:</p> <ul style="list-style-type: none"> • when you do not need evidence of your expenses • the way in which you can claim your overnight travel expenses.
	<p>To find out the reasonable travel and overtime meal allowance amount, refer to TD 2010/19 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2010-11 income year? <http://law.ato.gov.au/atolaw/view.htm?Docid=TXD/TD201019/NAT/ATO/00001&PiT=99991231235958> (as at 30 June 2010).</p>

Example 8

Derek works for a national company. Derek's employer provides him with an accommodation allowance that covers the costs of his accommodation when he travels interstate. Derek does not receive an allowance for meals or incidental expenses.

The amount Derek claims as a deduction for the accommodation costs he pays is less than the reasonable allowance amount. This means he does not have to keep records of his accommodation expenses. However, he does have to keep records and other written evidence to support any deductions he claims for his meals and incidental expenses.

Meal expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=12>
- Last modified: 05 Jul 2011
- QC 24380

Generally meals, snacks and drinks you buy and consume while on the job are considered to be a private expense and not an allowable deduction. However, there are certain situations where you may be able to claim a deduction. These are:

- overtime meals
- meals when travelling overnight.

Overtime meals

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=13>
- Last modified: 05 Jul 2011
- QC 24380

Any amount for overtime meals that have been included as part of your normal salary or wages (for example, under a workplace agreement) is not considered to be an overtime meal allowance.

You can claim a deduction for overtime meal expenses if:

- you received a genuine overtime meal allowance from your employer that was paid under an industrial law, award or agreement
- you have included the amount of the meal allowance as income at item **2** on your tax return
- you have written evidence that shows the cost of the meals, such as receipts or diary entries, if your claim was more than the reasonable allowance amount.

You must include the allowance you received on your tax return if you:

- have an overtime meal allowance shown on your payment summary
- are claiming a deduction and the allowance is not shown on your payment summary, or
- received an allowance in excess of the reasonable allowance amount.



We set the reasonable allowance amount for your circumstances in an annual taxation determination that explains:

- when you do not need evidence of your expenses
- the way in which you can claim your overtime meal expenses.



To find out the reasonable travel and overtime meal allowance amount, refer to [TD 2010/19 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2010-11 income year? \(As at 30 June 2010\)](http://law.ato.gov.au/atolaw/view.htm?docid=TXD/TD201019/NAT/ATO/00001) <<http://law.ato.gov.au/atolaw/view.htm?docid=TXD/TD201019/NAT/ATO/00001>>.

Example 9

Terry was employed by a large earthmoving company for a major job involving the excavation of a transit tunnel. He was required to work overtime for 10 days.

Terry was paid a bona fide overtime meal allowance of \$25.80 for each night he worked overtime, equivalent to the 2010-11 income year reasonable rate set by the Commissioner of Taxation.

Terry was happy to spend \$14.00 each time on a takeaway meal. At the end of the income year his payment summary showed he received \$258.00 in allowances which represented the 10 overtime days x \$25.80.

In his tax return Terry correctly showed the \$258 in allowance at item **2** and at **D5 Other work-related expenses** he claimed deductions of \$14.00 x 10 = \$140. The amount he had actually spent on his overtime meals.



The receipt of an overtime meal allowance does not automatically entitle you to a deduction. Only the actual amount incurred on work-related overtime meal allowance expenses can be claimed.

Meals when travelling overnight

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=14>
- Last modified: 05 Jul 2011
- QC 24380

You may be able to claim a deduction for the cost of meals when travelling overnight for work. Even if you receive a travel allowance from your employer to cover the cost of meals, you cannot automatically claim a deduction for work-related meal expenses.

You can only claim a deduction for travel-related meal expenses where:

- you are required to sleep away from home for one or more nights in the course of earning your income
- you have incurred these expenses.

Allowances

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=15>
- Last modified: 05 Jul 2011
- QC 24380

The most common allowances paid to an employee earthmoving plant operator are:

- travel allowance
- living-away-from-home allowance
- overtime meal allowance (see Meal expenses).

A travel allowance is an amount you receive that could reasonably be expected to cover your accommodation, meals and expenses incidental to your work-related travel.

A living-away-from-home allowance is different from a travel allowance. Living-away-from-home allowance is paid to cover your additional accommodation and meal costs when you are temporarily required to live away from your usual place of residence in order to perform your duties of employment.

Your employer is subject to fringe benefits tax on your living-away-from-home allowance so you cannot claim a deduction for any expense you incur.

If you move to a new location with an intention to return to your old location at the end of the appointment, you would generally be treated as living away from your usual place of residence.

Example 10

Marco is transferred by his employer from Sydney to Newcastle to help excavate a site for construction. For the duration of this job, his immediate family continues to live at home in Sydney, where he returns every weekend. Marco is considered to be living away from his usual place of residence.

If your travel allowance is not shown on your payment summary and was not more than the reasonable allowance amount, you do not have to show it on your tax return as long as you:

- spent the entire allowance on deductible expenses
- are not claiming the deduction.

Otherwise, you must show the allowance on your tax return.

If your living-away-from-home allowance appears on your payment summary and is paid to you to cover meal expenses because you have to sleep away from home, you should treat it as a travel allowance.

Work-related clothing, laundry and dry-cleaning expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=16>
- Last modified: 05 Jul 2011
- QC 24380

You may be able to claim a deduction for the costs you incur when you buy, rent, repair or clean your work clothing. Deductible work clothing includes:

- compulsory uniforms and corporate wardrobes
- a single item of distinctive clothing such as a jumper, shirt or tie with the employer's logo if it is compulsory for you to wear it
- a non-compulsory corporate uniform if your employer has registered the design with AusIndustry
- protective clothing.

Protective clothing

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=17>
- Last modified: 05 Jul 2011
- QC 24380

Protective clothing and footwear protects you from the risk of illness or injury, or to prevent damage to your conventional (everyday) clothes, caused by your work or work environment.

Examples of protective clothing include:

- fire resistant clothing
- sun-protection clothing
- safety-coloured vests
- rubber boots
- steel-capped boots, safety hats, safety goggles, gloves, overalls, heavy duty shirts and trousers that are designed to protect the wearer from risk of injury at work.

Jeans, drill shirts and trousers that are not designed to protect the wearer are not considered to be protective clothing.



Sunglasses, sunhats and sunscreens are not considered to be items of protective clothing but you can claim a deduction for these items if you:

- have to work in the sun for all or part of the day
- use these items to protect yourself from the sun while at work.

Laundry and dry-cleaning expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=18>
- Last modified: 05 Jul 2011
- QC 24380

You can claim a deduction for the cost of washing, drying and ironing your deductible work clothing as laundry expenses. This also includes laundromat expenses and the actual cost of dry-cleaning.

You do not need to keep receipts or other written evidence of your claim if the total amount of your laundry expenses is \$150 or less, or your total claim for work-related expenses is \$300 or less. However, you must be able to show how you worked out your claim.

If your claim for laundry expenses is more than \$150 and your total claim for work-related expenses is more than \$300 (not including car, meal allowance, award transport payment allowance and travel allowance expenses), the records you must keep include:

- receipts, or other written evidence of your expenses
- diary entries you make to record
 - your small expenses (\$10 or less) totalling no more than \$200 for which you do not have a receipt
 - expenses that you cannot get any kind of evidence for regardless of the amount, for example, a diary record of your laundromat costs.



Refer to the [Work-related uniform expenses calculator](#) to help you work out your claim.

Home office expenses

What you can claim - running expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=19>
- Last modified: 05 Jul 2011
- QC 24380

If you perform some of your work from your home office, you may be able to claim a deduction for the costs you incur in running your home office, even if the room is not set aside solely for work-related purposes.

You may be able to claim:

- the decline in value (depreciation) of home office equipment such as computers and telecommunications equipment - if your equipment costs \$300 or less, you can claim a full deduction for the work-related portion
- the cost of heating, cooling and lighting your home office that is over the amount you would ordinarily have to pay if you did not work from home
- the costs of repairs to your home office furniture and fittings.

What you cannot claim - occupancy expenses

Occupancy expenses include rent or mortgage interest, council rates and house insurance premiums. You can only claim occupancy expenses where your home office is considered to be a place of business. If your only income is paid to you as an employee, you are generally not able to claim a deduction for your occupancy expenses.



Refer to our [Home office expenses calculator](#) to help you work out:

- if you can claim your home office expenses
- how much you can claim.

Keeping records of your home office running expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=20>
- Last modified: 05 Jul 2011
- QC 24380

To claim a deduction for the electricity and gas you use and the decline in value of your office furniture, you can claim either of the following:

- a deduction for your actual expenses
- a deduction you work out at a rate of 34 cents per hour.

To use the 34 cents per hour method of claiming, keep a diary to record the amount of time you use your home office for work purposes. The diary must show a representative period of at least four weeks to establish a pattern of use for the whole year.

Example 11

Daniella uses a diary to record the time she uses her home office for work purposes. Based on her diary entries, Daniella works out she spends an average of three hours each week night working in her home office. Daniella works for 38 weeks each year.



Daniella chooses to use the fixed rate of 34 cents per hour to work out the amount she can claim for her home office expenses.

Daniella calculates her home office running expense deduction as follows:

$$38 \text{ weeks} \times 15 \text{ hours} \times 0.34 \text{ cents} = \$193.80$$

The records you must keep may include:

- receipts or other written evidence of your expenses, including receipts for depreciating assets you have purchased - for example, your computer
- diary entries you make to record
 - your small expenses (\$10 or less) totalling no more than \$200
 - expenses you cannot obtain any kind of evidence for, regardless of the amount - for example, stationery.

	You claim your home office expenses at D5 - Other work-related expenses on your income tax return.
	For more information about the depreciation of your items, use the Decline in value calculator .

Tools and equipment

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=21>
- Last modified: 05 Jul 2011
- QC 24380


You can claim an immediate deduction for tools or equipment that you use for your work where the cost does not exceed \$300, if:

- it does not form part of a set, or
- it forms part of a set but the set cost is \$300 or less.

If your tools or equipment cost more than \$300, you can claim a deduction only for the [decline in value](#) (depreciation). The amount you can claim for decline in value (or as an immediate deduction) depends on the amount of time you use your tools or equipment for work purposes. For example, if you bought a power tool for \$350 which you use half for work purposes and half for private purposes, you can claim only half the decline in value.

You can also claim the work-related cost of repairing and insuring your tools and equipment and any interest charges you incurred on money you borrowed to purchase these items.

If you received a tools allowance of \$500 and your tool expenses were \$300, you include the whole amount of the allowance as income on your tax return and you can claim a deduction of \$300 for the expense incurred.

 For more information about claiming expenses for tools and equipment, refer to [Work-related expenses - tools and equipment](#).

Phone expenses

You can claim a deduction for the cost of work-related phone calls you make, including calls from mobile phones. You can also claim a deduction for your phone rental if you can show you were on call or you had to call your employer or clients regularly while you were away from your workplace.

If you also used your phone for private purposes, you can only claim that portion of your phone rental costs and calls that relate to your work-related use of the phone - see [example 12](#).



If you are reimbursed for part or all of your phone expenses, you cannot claim a deduction for that portion.

Keeping records of phone expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=22>
- Last modified: 05 Jul 2011
- QC 24380

You may be able to identify your work-related calls individually on your itemised telephone account. If you do not receive itemised accounts, you can make a reasonable estimate of your call costs based on diary records you have kept over a minimum four-week period, together with your relevant telephone accounts.

Example 12

Angelo uses his mobile phone for work purposes. He is on a set plan of \$49 a month and rarely exceeds the plan cap.

Angelo receives an itemised account from his phone provider each month by email, which includes details of the individual calls he has made.

At least once a year, Angelo prints out his account and highlights the work-related calls he made. He makes notes on his account for the first month about who he is calling for work - for example, his site manager.

Out of the 300 calls he has made in a four-week period, Angelo works out that 30 (10%) of the individual call expenses billed to him are for work and applies that percentage to his cap amount of \$49 a month. The other two months that Angelo reviews are consistent with this.

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

$$10.6 \text{ months} \times \$49 \times 10\% = \$52$$

More information

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Earthmoving-plant-operators---claiming-work-related-expenses/?page=23>
- Last modified: 05 Jul 2011
- QC 24380

For more information visit our website and refer to the following tools and publications:

- [Car and travel expenses](#)
- [D1 - Work-related car expenses](#)
- [Work related car expenses calculator](#)
- [D2 - Work-related travel expenses](#)

- [TD2011/17 <http://law.ato.gov.au/atolaw/view.htm?Docid=TXD/TD201117/NAT/ATO/00001>](http://law.ato.gov.au/atolaw/view.htm?Docid=TXD/TD201117/NAT/ATO/00001) - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2011-12 income year?
- [TD 2010/19 <http://law.ato.gov.au/atolaw/view.htm?docid=TXD/TD201019/NAT/ATO/00001>](http://law.ato.gov.au/atolaw/view.htm?docid=TXD/TD201019/NAT/ATO/00001) - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2010-11 income year?
- [Work related uniform expenses calculator](#)
- [Home office expenses calculator](#)
- [Work related expenses - decline in value](#)
- [Decline in value calculator](#).

To obtain copies of our publications:

- visit www.ato.gov.au/onlineordering
- phone our publications and distribution service on **1300 720 092**.

For more information, phone us on **13 28 61** from Monday to Friday, between 8.00am and 6.00pm. We can offer you a more personal service if you provide your tax file number.

Other services

If you do not speak English well and need help from us, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone us through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on www.relayservice.com.au <<http://www.relayservice.com.au/>> and ask for the ATO number you need.

Our commitment to you

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

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

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

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

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

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