



Australian Government
Australian Taxation Office

Travel expenses

What you need to know before you go

Travel expenses include:

- ✓ **Transport expenses** are deductible when you travel in the course of performing your duties. This includes the cost of driving your car, flying, catching a train, taxi or bus.
- ✓ **Accommodation, meals and incidental expenses** are deductible when you travel in the course of performing your duties AND are required to be away from home overnight.



Things to remember

- ✓ You need to keep receipts – or other written evidence – for your travel expenses. There are some exceptions for expenses on accommodation, meals and incidental expenses.
- ✓ You need to apportion your expenses if they are partly private in nature. If you travel on a work trip, you may not be required to apportion your costs where there is a minor private component that is merely incidental to the work.
- ✓ If you travel away from home for six or more nights in a row, you need to keep travel records – such as a travel diary. This is in addition to keeping receipts for your expenses.
- ✗ Receiving a travel allowance from your employer does not automatically entitle you to a deduction.
- ✗ If any travel expenses are reimbursed, you cannot claim a deduction for them.
- ✗ You generally can't claim for normal daily trips between home and work – this is private travel.
- ✗ You can't claim accommodation, meals and incidental expenses you incur in the course of relocating or living away from home.

Examples of when you need to apportion your expenses

- ✓ You take your partner or children away with you when you travel for work. You cannot claim the cost of any travel expenses you incur for them. For example, if you pay for a two bedroom apartment to accommodate your children, you can only claim a deduction for the cost you would have incurred on a one bedroom apartment had you travelled alone.
- ✓ You fly to Perth for a seven day work conference and add on a return trip to Broome for 4 days. You can only claim your flights to and from Perth. You can only claim the accommodation, meals and incidental expenses that you incurred during the seven days of work-related travel.
- ✓ You are in the process of booking a holiday to Sydney to see an art exhibit when your employer asks if you'd like to attend a three day work-related conference in Sydney which coincidentally is to be held from the Monday following your planned holiday. You change your travel arrangements to include the additional time in Sydney. In total, you spend three days in Sydney for private purposes followed by three days at the conference. You must apportion your flights for the private component of your trip (50%) and only claim the accommodation, meals and incidental expenses you incur during the three days of work-related travel.
- ✓ You fly to London for a 10 day international, work-related conference. You stay over for an extra two days to do some sightseeing. While you cannot claim the cost of accommodation and meals for the two days of private travel, the private component of the trip is merely incidental and so you can claim the full cost of your airfares.
- ✓ You are holidaying in Cairns when you become aware of a work-related seminar which runs for half a day. You can claim the cost of attending the seminar, but you cannot claim your airfares to and from Cairns, or accommodation whilst in Cairns, as the primary purpose of the travel is private.



Record keeping exception for accommodation, meals and incidental expenses

You must always keep records of your expenses, however you don't have to keep all your receipts if:

- ✔ you received an allowance from your employer for the expenses, and
- ✔ your deduction is less than the Commissioner's reasonable amount. To find this year's amount, visit our legal database (ato.gov.au/law) or 'ask Alex' on ato.gov.au

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

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



Travel diary



A travel diary is a record of your travel movements and activities you undertake during your travel. It will help you work out the work-related and private elements of your trip.

You will need a travel diary for each trip you take away from home for six or more nights in a row. There are a couple of exceptions.

These are:

- You travel within Australia and meet the requirements for the record keeping exception (shown left), or
- You are a crew member on an international flight and you claim a deduction for less than the allowance you received.

You should record your movements and activities in whatever diary/journal you use. It can be paper or electronic. It must be in English.

You must record your travel movements and activities before they end, or as soon as possible afterwards. You need to state:

- ✔ where you were
- ✔ what you were doing
- ✔ the times the activities started and ended.



This is an example of a travel diary, which is kept in addition to a log book for car expenses:

October 2017			
<p>9 Monday</p> <ul style="list-style-type: none"> ■ 6am travel to Wangaratta. Arrive 9am. ■ 9:30am to 5:30pm sales conference Wangaratta. ■ Overnight conference centre. 	<p>10 Tuesday</p> <ul style="list-style-type: none"> ■ 9:30am to 5:30pm sales conference Wangaratta. ■ Overnight conference centre. 	<p>11 Wednesday</p> <ul style="list-style-type: none"> ■ 9:30am to 5:30pm sales conference Wangaratta. ■ Overnight conference centre. 	<p>12 Thursday</p> <ul style="list-style-type: none"> ■ 8am travel to Shepparton. Arrive 9:15am. ■ 10am meet Mr Smith for display meeting. ■ 1pm to 5pm Shepparton store review. ■ Overnight Shepparton hotel.
<p>13 Friday</p> <ul style="list-style-type: none"> ■ 6am travel to Echuca. Arrive 7am. ■ 8am to 12noon Echuca store review. ■ 12:30pm to 12:45pm drive to Moama store. ■ 1pm to 5pm Moama store review. ■ Overnight Moama hotel. 	<p>14 Saturday</p> <ul style="list-style-type: none"> ■ 7am travel to Bendigo. Arrive 8:30am. ■ 9am to 6pm State Rep meeting. ■ 6pm Dinner with State Reps. ■ Overnight Bendigo Motor Inn. 	<p>15 Sunday</p> <ul style="list-style-type: none"> ■ 8am State Rep breakfast conference. Finish 10am. ■ 10am travel home to Melbourne. Arrive 12:30pm. 	

This is a general summary only.

For more information, speak with your tax agent or visit ato.gov.au/travelexpenses