

31 May 2022

AHEAD OF JUNE 30, THREE-QUARTERS OF SMALL BUSINESS LEADERS FIND THE TAX SYSTEM CONFUSING

Officeworks research also shows small business leaders are concerned about the growth of their businesses post-pandemic.

Despite small business leaders (SBLs) feeling relatively more confident about their business and increasing their spend on business equipment compared to the same time last year, new research* from Officeworks shows almost three-quarters (73 per cent) of SBLs still find the tax system confusing and nearly two in three (63 per cent) are concerned about the growth or stability of their business beyond the pandemic.

To assist in a healthy tax return, almost a quarter (23 per cent) have increased their year-on-year spending on office supplies, furniture or business assets to take advantage of the government's depreciation concessions for an increased tax return. The research tells us SBLs are planning to capitalise on the depreciation concessions available, including the recently announced (although not legislated yet) 'Technology Investment Boost'** in the 2022 federal budget. SBLs indicated they will spend an average of at least \$17,000.

One-in-four small business leaders were unaware they could be eligible for the 'Temporary Full Expensing' concession to claim immediate deductions on depreciating assets first used or installed before June 30. In addition, more than half (54 per cent) of business leaders incorrectly assumed they could no longer claim the \$150,000 'Instant Asset Write-Off' which may be used to claim on items purchased in previous tax seasons.

Officeworks General Manager Merchandise, Jim Berndelis said: "When Australians were required to work from home during the pandemic, many employees borrowed equipment from the office. As they have returned to their office in a flexible capacity, we have seen employers updating their office equipment such as ergonomic chairs, monitors and computer accessories. We're also seeing products such as mobile phones, cables and charging devices continue to be popular to ensure staff can stay connected no matter where they are working."

"As we approach June 30, we recommend small business leaders consult their taxation professional to ensure they are making the most out of the incentives and capitalising on tax-deductible upgrades."

Incentives and savings opportunities are available on technology and office supplies to support staff working remotely as well as in the office, and 74 per cent of SBLs responded that they will

support remote work setups regardless of whether they expect staff to return to the office or not. This means there is a unique opportunity for business leaders to claim more through the comprehensive Temporary Full Expensing concession.

Taxation Manager, Rebecca Morgan on behalf of the National Tax and Accountants' Association (NTAA) said: "Small and medium-sized businesses across the country should be taking advantage of tax-related COVID-19 relief measures and depreciation concessions currently implemented by the Australian Government. They are not forever guaranteed,"

To take advantage of tax-related concessions this year, SBLs should consider upgrading office equipment, investing in technology products and to assist employees in purchasing their work from anywhere equipment at [Officeworks](#) before June 30.

For more information about current tax concessions and eligible assets, please visit the [Australian Taxation Office website](#).

– ENDS –

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NOTES TO EDITORS:

***About EOFY Research** - The research was commissioned by Officeworks and conducted by Lonergan Research in accordance with the ISO 20252 standard. Lonergan Research surveyed 1,475 Australians aged 18+ including 500 Small Business leaders. Surveys were distributed throughout Australia including both capital city and non-capital city areas. The survey was conducted online amongst members of a permission-based panel, between 11th of April and 21st of April 2022. After interviewing, data was weighted to the latest population estimates sourced from the Australian Bureau of Statistics.

Understanding the new concessions and tax breaks, as defined by the ATO:

- **Temporary Full Expensing** - "Eligible businesses with an aggregated turnover of less than \$5 billion can deduct the business portion of the cost of eligible new depreciating assets. For small and medium sized businesses (aggregated turnover of less than \$50 million), temporary full expensing also applies to the business portion of eligible second-hand depreciating assets." According to the research:
 - One in four SBLs does not know the definition of Temporary Full Expensing.
 - Less than one in five SBLs plan to take advantage of Temporary Full Expensing this EOFY.
- **Instant Tax Asset Write Off** - "If temporary full expensing does not apply or you are not

eligible for it, you may still claim the depreciation deduction under instant asset write-off if the asset was:

- purchased by 31 December 2020, and
- first used or installed ready for use before 30 June 2021.”
- The Instant Tax Asset Write Off has a threshold of \$150,000.

According to the Research:

- More than half believe the \$150,000 Instant Tax Asset Write Off is no longer able to be claimed.
- **Technology Investment Boost**** - “Small businesses (with aggregated annual turnover of less than \$50 million) will be able to deduct an additional 20 per cent of the cost incurred on business expenses and depreciating assets that support their digital adoption, such as portable payment devices, cyber security systems or subscriptions to cloud based services.” According to the research:
 - More than half believe the \$150,000 Instant Tax Asset Write Off is no longer able to be claimed
 - Less than one in five SBLs plan to take advantage of the bonus tax concession EOFY

**On 29 March 2022, as part of the 2022–23 Budget, the then government announced it will support small business through the above new measures. These measures are not yet law and are subject to decisions from the new government.

ABOUT OFFICEWORKS

Established 28 years ago in Richmond, Victoria, Officeworks is committed to making bigger things happen for its customers, team, the community and stakeholders. It operates 168 stores across Australia, a website that is home to more than 40,000 products, a national call centre, and a business team that helps micro, small and medium-sized businesses start, run and grow.

Officeworks offers customers a wide range of office supplies, technology, furniture, art supplies, education resources and helpful services like print & copy and on-site and remote tech support through Geeks2U – delivering an experience that is easy and engaging, no matter how customers choose to shop.

Officeworks is focused on the safety, wellbeing and career progression of the more than 9,000 team members it employs. It’s also dedicated to operating in a sustainable manner, including building and maintaining meaningful connections with the communities in which it operates, fundraising for its national partners and local community groups, continuing to reduce its impact on the environment and source responsibly.