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SHIFT TO WORKING FROM ANYWHERE LEADS TO WORKER CONFUSION ABOUT WHAT'S CLAIMABLE AT TAX TIME

With Australians embracing the new work from anywhere landscape, research* from Officeworks reveals many believe household items including toilet paper and coffee should be tax deductible when working from home, along with services like doggy day care.

The research also shows almost two-thirds of workers feel they have limited knowledge on how to claim tax deductions at the end of the financial year, and almost one in five who can and plan to work flexibly aren't aware that purchases made for working from anywhere could be tax-deductible.

While many are confused about what they can and cannot claim, with work boundaries now blurred others believe toilet paper (24 per cent), coffee and kitchen supplies (30 per cent) and comfortable work clothing (22 per cent) should be tax-deductible when working from home. For Gen Z, almost 20 per cent believe services like a pet sitter or doggy day care should also be tax-deductible.

Officeworks General Manager Merchandise, Jim Berndelis said: "As hybrid work models continue to stay, we are seeing customers investing in a comfortable second workstation setup or businesses refreshing their office equipment.

Popular items include monitors, computer accessories, ergonomic desk chairs, sit-stand desks, home printers and even gadgets such as smart home lighting as they enhance their work area. We're also seeing products such as mobile phones, cables and charging devices continue to be popular to ensure employees can stay connected no matter where they are working.

"The good news for customers is that many of these items can be tax deductible, it's best to keep a record of your purchases and speak with your tax accountant to avoid confusion when filing your return."

Despite the government's offer of Covid-induced concessions to maximise the tax deductions for Australians working flexibly, one in five Australians are still unsure which tax deduction method they will choose when completing their return this year.

Taxation Manager, Rebecca Morgan on behalf of the **National Tax and Accountants' Association (NTAA)** said: "With so many office workers adapting to various forms of hybrid working

arrangements since the start of the pandemic, this tax season the lines have become blurred concerning what expenses are tax-deductible for many individual taxpayers working from home.

“For example, whilst employees may have been able to charge in-house office refreshments (such as coffee and sugar) to their employer’s petty cash account whilst working in the office, such expenses are private in nature and not deductible when purchased and consumed at their home office.

Furthermore, the ATO is on the lookout for taxpayers claiming previously deductible expenses that may not be relevant whilst working from home. In particular, they would typically expect to see a corresponding reduction for claims relating to deductible car, clothing, laundry and other work-related expenses (e.g., deductible toll and parking expenses).

On the flip side, the ATO will expect an increase in home office claims relating to stationery and printer consumables (e.g., ink and paper) and depreciation of office equipment and technology used for income-producing purposes. Despite this, the ATO will be focusing on an individual’s ability to demonstrate that they have spent the relevant funds on work-related expenses.”

A flexible future is the preferred way of the workforce, with 73 per cent of Australians workers wanting to continue working from anywhere. As a result, 40 per cent of Australians spent more than \$150 on their home offices, and as such, two-thirds of Aussies who can and plan to work flexibly will claim more items due to working from anywhere during and post-pandemic.

Some Australians will also be saving more thanks to the assistance of their employers. Almost 70 per cent of employees who can and plan to work flexibly reported their employer supported them to work from anywhere by contributing towards the payment of items, loaning equipment or through contributions to phone or utility bills.

To maximise your returns, consider upgrading your home office using a wide range of products available at Officeworks before June 30.

- ENDS -

For further information and imagery, please contact:

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*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.

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 167 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.