I have reviewed the consultation paper released November 2016 and would like to make the following submission as to what I see as the most sensible way to proceed in relation to the deductibility of non-compulsory uniforms and deductibility of uniforms as a work related expense.

Based on the figures quoted in the paper, it would seem that with less than 20,000 registered uniform sets (some of which are no longer used) the majority of employers are either unaware of the register or foregoing the administrative hassle of dealing with the register and the design requirements.

From experience with small and medium business employers, the primary aims of purchasing, or subsidising or otherwise making available uniforms to staff are:

1.    Improving the presentation of staff and projecting a professional image

2.    Allowing customers and client to clearly identify the employees that are available to assist them

3.    Promote brand awareness

With respect, whether a uniform is approved on the register or is consistent with the design guidelines adds nothing to the furtherance of the above aims.  The register and guidelines just provide another unnecessary layer of red-tape that employers have to deal with and also incurs additional costs to the government to administer a register than is not currently utilised by the vast majority of employers.  I am unaware of any employers that advise their staff as to the registration status or deductibility of the uniforms.

I strongly believe that Division 34 should be repealed and the deductibility of uniforms should fall back within s8(1).  Appropriate guidance can be provided by the ATO but at a minimum, a deduction for uniforms (compulsory or non-compulsory) should be available in the following circumstances:

1.    It is occupational specific (that is clearly identifiable to the public that the employee is engaged in a particular trade or vocation).  For example chef uniform, Ben Casey for Pharmasicts, Police, Fire, Ambulance etc

2.    Protective clothing

3.    Clothing with the employer’s logo

If a uniform is required for work purposes, it should be deductible to the employee or the employer.  I submit there is no need to widen the existing scope of deductibility for uniforms, just remove the unnecessary registration and design requirements and make it easier for employers and employees and save the government the administration costs.

The submission notes that the cost of revenue in relation to the deductions for non-compulsory uniforms in 2013-14 was $30m.  Unless the Government is suggesting that the uniform expenses claimed were totally unrelated to employment activity, it is not a cost to revenue, it is merely taxpayers claiming a deduction for expenses incurred in gaining assessable income.

If your require any further information in relation to the submission, please feel free to contact me.

Kind regards,

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