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## **Reform to deductions for education expenses**

### **Submission from economic Security4Women and APESMA**

#### **Introduction**

The former Federal Treasurer has proposed a limitation of \$2,000 for an individual to claim for self-education expenses derived during a financial year.

The Treasury has called for public comment on its potential impact.

This submission focuses on the impact on women and their professional development and skilling.

#### **Women, Education and Workforce Participation**

To set the context of the discussion, some brief statistics are provided below.

- According to the Australian Bureau of Statistics' Gender Indicators released in January 2013 and its accompanying press announcement<sup>i</sup>, women have higher participation rates than males in higher education but they remain under-represented in all spheres of public decision-making roles including Parliament, the ASX listed Companies and the Public Service.
- In terms of technical trades, the National Centre for Vocational Education and Research (NCVER) finds women have lower participation rates than their male counterparts in trades, particularly in traditionally male oriented trades of automotive and electrical.<sup>ii</sup>

These statistics suggest that women's working lives are impacted by lack of opportunity and support to reach their full employment and leadership potential.

One pathway to reach this potential, that of training and professional development incurs costs for women with higher education qualifications and HECS debts that are real and ongoing.

## **Education and Training Expenses**

In licensing professions of legal, medical, engineering/surveying, professional memberships are the minimum standard to hold each year; training to keep up to date with legislative changes is constant, compulsory and expensive.

Professional memberships have become more specialised as industries and professions grow in speciality. Therefore it is common that a professional may hold two or more memberships to access journals and training opportunities. These memberships can average about \$400-\$500 per year.

The greatest breakthroughs and training in fields such as medicine often occur overseas.

### **Additional costs**

As women are still the primary carers of others, and are two thirds of all primary carers to a person with a disability, they often face the additional expense of after-hours care for children, disabled and the elderly in order to attend conferences and workshops.

The current childcare system does not adequately accommodate modern working hours nor does it cater for those working women who undertake shift work and irregular hours quite common in the medical, army forces, police and legal industries. In home overnight care can cost approximately \$25-28 per hour with a private Australian agency (subject to qualifications and experience), plus agency booking fee<sup>iii</sup>.

Further to the cost is the ongoing problem faced by many working women of access to any childcare or out of school hours care at all. Working parents continue to endure long waiting lists for childcare and out of school hours care. Demand is simply not meeting supply. This is in contrast to Norway, where every family has access to childcare and the childcare sector is State-owned and managed and fees are highly subsidised. With these factors at play, women's participation rate in the Norwegian workforce stands proportionally higher than Australia's.

Given the above points, plus the additional cost of caring, we claim the proposed self-education expenses limit will have a disproportionate impact on women and further disadvantage them in the labour market.

In contrast, Singapore offers a limit of \$5,500 per tax year for self-education expenses per worker.<sup>iv</sup> Singapore's rates of educational attainment and innovation remain high on world rankings and these have been well publicised. In short, life-long learning is valued in Singapore.

## **Observations and Recommendations**

The Federal Treasury paper states that this reform is to encourage fairness.

However women's working lives are impacted negatively by many variables, for example the lack of access to quality and affordable childcare, after-school care and elder care to accommodate modern working lives and shift work is a barrier to workforce participation. Hence the blanket application of this 'reform' will have a disproportionate impact on women, especially those on low to medium incomes.

The proposed self-education cap will further erode opportunities for women to maintain and upgrade their skills and qualifications as combined costs of training and care become unaffordable, and rigid work practices make combining work and care difficult and often unprofitable for the worker.

eS4W proposes a reconsideration of the cap involving means testing for a higher cap. Those women who will be most disadvantaged are mainly those in the feminised areas of work - especially nursing, social work, etc. Another good example here is those women in traineeships. For example, a number of apprentices receive generous allowances for tools of trade however those training in most/many traineeships (e.g. beauty that is very expensive) get nothing. At the same time, for those working in such areas while undergoing education and/or training - their wages are comparatively low.

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<sup>i</sup> Australian Bureau of Statistics, Gender Indicators, Australia 4125.0, January 2013. [www.abs.gov.au](http://www.abs.gov.au)

<sup>ii</sup> National Centre for Vocational Education and Research – [www.ncver.edu.au](http://www.ncver.edu.au)

<sup>iii</sup> Night Nannies (Private Agency) – [www.nightnannies.com.au](http://www.nightnannies.com.au)

<sup>iv</sup> Inland Revenue Authority of Singapore – [www.iras.gov.sg](http://www.iras.gov.sg)