

**ADAMSTOWN BRANCH**



2 Orana Crescent  
Adamstown Heights  
N.S.W. 2289

Tel. (02) 4957 4714

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AFTS Secretariat  
The Treasury  
Langton Crescent  
PARKES  
ACT 2600

Dear Sir/Madam

At its meeting held on 6 October, 2008, our Branch resolved to forward the following matter for consideration under the Review of Australia's Taxation System.

The Branch made representations to the Federal Treasurer, through our Federal Member, in February 2008 as follows:

*The Branch calls for the Government to review the tax deduction for self-education expenses to provide for the deductibility of bona-fide vocational training expenditure undertaken to achieve employment in a field different to the one in which the taxpayer is currently employed.*

*It is often necessary for intending employees to undertake considerable expenditure to acquire qualifications, licences, permits, etc. and this is not presently deductible if the training is not related to the taxpayer's current employment. The Branch is aware that for low-paid and casual employees seeking better employment this training and licencing expenditure can be a considerable burden without tax relief.*

We received a reply in August which rejected the suggestion on the grounds that the expenditure is incurred prior to the receipt of income arising from subsequent income generated by employment in the new field. A copy of the Treasurer's letter is included for reference; it refers to the Review of Australia's Taxation System, and accordingly we are offering the suggestion for consideration.

Our Branch responded to the Treasurer's letter today as follows:

*The Branch wishes to contest the statement in the letter that such a deduction would provide "little or no benefit to low-income earners". In fact, the mover of the motion was motivated by his experience as a Tax Help Volunteer – a service run by the Australian Tax Office specifically for lower income taxpayers who need assistance with submitting income tax returns. He has had clients in low income casual jobs – e.g. bar service – training for the security industry, which requires expensive training and licence application fees.*

*Possibly such a potential deduction could be held in suspense until claimable within a limited time frame, contingent on achieving employment in the new field.*

We request that this response be considered as part of our suggestion.

Yours sincerely

A handwritten signature in cursive script that reads "Noel James".

Noel James  
SECRETARY

c.c. Ms. Sharon Grierson MP, Member for Newcastle.