ACPET opposes cap to education tax deductions

The Australian Council for Private Education and Training (ACPET) supports the call on the Federal Government by Universities Australia and other peak professional bodies to abandon the reforms to cap tax deductions for self-education expenses due to be introduced from 1 July 2014.

ACPET is concerned that the Government’s decision to cap education tax deductions restricts and discourages continuing professional development and skilling. The $2,000 per annum cap will discourage many people from progressing professional careers, severely impact on the self-employed, particularly in the services sectors where the greatest costs to business are knowledge and skills development.

“On the one hand the government is promoting a vision and policy aimed at building Australia as a knowledge economy. Just last week, 15 new government priorities were released to encourage Australia’s ability to become a productive, innovative, contemporary knowledge-based economy, including “developing skills for the new economy” and “maximising competitive advantage”, supporting and encouraging the need for ongoing reskilling and post-graduate education.”

“On the other hand, the proposed cap reforms work against these priorities for Australia’s economic future, ignoring the importance of self-education and continuing professional development, said Claire Field, ACPET Chief Executive Officer.

The cap will escalate the cost of education to individuals and will ensure that available deductions dramatically decrease. This will create an extra burden on private tertiary education providers, who are mostly small businesses, and may compromise the availability of quality continuing professional development courses” said Ms Field.

“Of great concern is that the cap will also disadvantage those in lower income brackets, who are unable to meet the increased costs of undertaking education, training and professional development.”

“With leadership speculation over and a settled cabinet in place it is time for the government to focus on implementing policy that fosters innovation, productivity and excellence across the Australian economy. ACPET supports the call for the abandonment of the cap on self-education expenses. We would rather see reforms that target those who misuse the system rather than penalise those committed to self-improvement,” said Ms Field.

Claire Field is available for comment: 0411 240 671