

Noel Rowland
CEO, Tax Forum

Dear Noel,

Best wishes for this significant event which has commenced today. Australia needs critical thought around the tax system not only to generate enthusiasm but also to ensure that our government can sustain its social justice agenda.

A strong and viable workforce is critical to sustained development. We are all ready acknowledging that we will experience significant labour shortages especially in regional areas of Australia. Sound career planning and talent management are fundamental to sustained growth. For that reason I urge the Forum to consider making the cost of professional career development and job search coaching services tax deductible.

The potential benefits to Australia are:

- increased productivity through increasing the suitability match between work and worker.
- Reduce the cost of community support of unemployed by increasing access to the private sector of career practitioners.
- Reduce community costs through encouraging professional training and up-skilling options.
- Increases community focus on the benefits of career coaching as an integral transition and transformation strategy.
- Significantly improve services available to currently under supported and marginalised workers (migrant, women returning to work, disabled and long term unemployed).
- Enable organisations to better manage their talent.

Additionally tax deductibility will remove the following anomalies:

- professional career development and job search coaching makes a significant impact on an individual's earning power. Career planning and coaching also is a cost related to work preparation. It may be argued that the benefits to both the individual and community are far greater than the services of a recognised tax adviser (invariably focussed upon tax minimisation), costs of which are tax deductible.
- career development and job search coaching is currently a legitimate tax deduction if the client is applying for promotion within the current employer organisation; but not if the client is applying for a promotable position with another organisation or even a different government department
- it is also tax deductible if the costs can be ascribed to the family farm or small business. This is not available to those whose parents or partners are salaried.
- because of the ever-changing employment market, people are increasingly being asked to consider themselves to be 'self-employed', a micro business seeking new 'clients' or employers whenever the changing situation requires. Small businesses can claim business planning and marketing consultancy against tax but a 'natural person' can't claim professional advice for career planning (the equivalent of business planning) or self-marketing (job search)

Finally, I and our members believe that any 'loss of income' would be offset by better productivity, better profitability, reducing the skills shortage. These benefits will add significantly to the income pool of our nation, reduce the community cost of long term unemployed, underutilised skilled migrants and by reducing unemployment.

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