



Deductibility of self-education expenses

Many people spend their own money on attending courses that will hopefully make them more employable and maybe earn a higher income. That's a good thing – a workforce that is more highly skilled can lead to higher productivity, which is something that's been in the spotlight of late.

It's not always clear when self-education expenses are tax-deductible, and there can sometimes be a fine line between what is and isn't deductible.

Self-education has to have a sufficient connection to earning your employment income. This will be the case if it either:

- » maintains or improves the specific skills or knowledge you require for your current employment activities; or
- » results in, or is likely to result in, an increase in your income from your current employment activities.

Self-education expenses incurred when a person is not employed (or self-employed) isn't deductible.

What courses of study are eligible?

- » An apprentice hairdresser working at a hair salon four days a week attending TAFE for one day is learning things at TAFE which will improve their hairdressing knowledge and skills.

- » A person with a Diploma in Nursing and working as an enrolled nurse under the supervision of Registered Nurses is undertaking a Bachelor of Nursing which, on completion, is likely to increase their income as a nurse.
- » A system administrator enrolls in and pays for a course on how to use a particular programming language. On completion, their employer gives them a pay rise. The cost of the course is deductible since it resulted in an increase in income from the person's current employment activities.
- » A pilot working for a domestic carrier takes an aircraft conversion course to upgrade his certification to fly his employer's international aircraft so that he will be paid more. The course qualifies as self-education since it will upgrade his qualifications and is likely to increase in his income.

What courses of study are ineligible?

- » If the person studying for a Bachelor of Nursing (above example) had been working as a personal care worker instead of enrolled nurse, the necessary nexus between the course of study and their current employment activities would not be present. Personal care workers assist patients with everyday tasks such as showering, dressing and

continued overleaf ➡

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Deductibility of self-education expenses... cont

eating. The skills and knowledge required to carry out those duties are not the same as those required to carry out a nurse's duties.

- » There was a case recently where a person who was qualified as a dentist in Romania but was working as a dental technician and studying to qualify for registration as a dentist in Australia. Despite positive comments from her employer, the Administrative Appeals Tribunal held that the two jobs were very different and the dentistry course of study was not linked closely enough to her current role as a dental technician. This would not be an uncommon situation, with many new arrivals working in roles that are well below their foreign qualifications.
- » Courses designed to gain new employment are not eligible. A teacher's aide undertaking a Bachelor of Education working with a primary school teacher and performing non-teaching duties would not qualify for a deduction since teaching students is very different from working as a teacher's aide.
- » Personal development and self-improvement courses are not generally closely enough related to a person's current income earning activities to qualify for a tax deduction.

What deductions are allowable?

It is important that any reimbursements received from your employer are offset against any claims, and you will also need to maintain documentary evidence to substantiate your claims. And it wouldn't hurt to have a positive statement from your employer about how participating in the course will affect the performance of your current employment duties.

Subject to the necessary connection to your existing income earning activities being established, the following deductions may be allowable:

- » Tuition, course, conference or seminar fees.
- » General course expenses, including text books, journals.
- » The decline in value of depreciating assets – apportionment may be needed in some cases.
- » Car and other transport expenses – this can range from an Uber to a nearby university to a return airfare to Paris to complete that MBA.
- » Accommodation and meal expenses for when you have to be away from home overnight.
- » Interest on borrowings to fund any of these outlays.



Self-education can be a tricky area, but that shouldn't stop you from making legitimate claims. We can help you with that. 💰

What happens if you don't have a valid will?... cont

Estate administrator

Who handles the paperwork if there's no will? Instead of an executor named by you, the court appoints an administrator. This is often your partner or next of kin, who will collect assets, pay the estate's debts and expenses, and then distribute the balance under the local intestacy law. Administrators step into a formal legal role and their authority begins once the court makes the grant.

Funeral and burial arrangements

One of the most pressing questions after a death is who decides on funeral arrangements. If there is no will appointing an executor, the right to organise the funeral and burial usually follows the same order as for administering the estate. It lies with the person

who has the highest claim to be the administrator, typically the surviving spouse or de facto partner, or if none, the next of kin.

➡ KEY POINT

Dying without a will means giving up control over who manages your estate, who inherits from it, and even who decides on your funeral arrangements. While intestacy laws provide a safety net, they may not reflect your personal wishes or the needs of your loved ones. Making a valid will ensures your estate is handled the way you want and spares your family unnecessary uncertainty and stress. 💰

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