

CICA is the national peak body of the career industry and represents the interests of all major career associations (see Appendix A) in Australia and their members. CICA is a unique collaboration of non-profit career practitioner associations and a world first in the career industry. It is a focal point for government and other organisations concerned for and interested in promoting quality career development services in Australia.

CICA's vision is to enhance participation and productivity by advocating the individual, social and economic benefits of quality career development for all Australians.

CICA aims to promote access to services; contribute to the further development of research and evidence base; develop strategic relationships with stakeholders and policy makers; and influence government, industry and community to embed career development in workforce development; and to influence all education sectors to embed career development in curricula.

This submission relates to supporting the role career development plays in relation to workforce development by expanding deductibility of career services

Currently, deductions are only allowable for individuals in employment and for career counselling related to transitions within the organisation that currently employs them. This approach is clearly not in keeping with national priorities for a more flexible and adaptable labour force. Nor does it support productivity and participation agendas.

As a knowledge economy Australia will be dependent on the further development of its human capital for economic growth. As indicated by the OECD,

Career development is a significant contributor to the development of human capital, as an important engine for economic growth and social cohesion. It is now recognised by more than 55 countries that career development services can play an important role in helping governments to:

- a) improve labour supply;
- b) address skill shortages;
- c) raise the level of human capital;
- d) improve the quality of human capital.

WHAT IS CAREER DEVELOPMENT?

Career development is the lifelong process of managing progression in learning and work. The quality of this process significantly determines the nature and quality of individuals' lives: the kind of people they become, the sense of purpose they have, the income at their disposal. It also determines the social and economic contribution they make to the communities and societies of which they are part.

BENEFITS OF CAREER DEVELOPMENT

Career development is critical to workforce development, in three respects:

- a) *Workforce preparation* - supporting the career development of young people prior to entering the labour market.
- b) *Workforce adaptability and sustainability* - supporting the career development of employed workers.

- c) *Workforce reintegration* - supporting the career development of adults in and out of the labour market, and between jobs in different enterprises.

The Career Industry Council requests that the review consider supporting the role career development plays in relation to workforce development by expanding deductibility of career services:

- For individual's engaged in preparing to enter the labour market (services may include resume and application support, interview skills support, career planning and development of career strategies)
- for individuals and organisations that are undertaking a restructure or being restructured
- for individuals living between jobs, training and looking to move to new employment opportunities.

The simple task of enabling deductibility for accessing career services would act as a catalyst to improving the flexibility and adaptability of the labour force and ensure that national policy agendas

might be implemented more effectively. And it would result in reducing anomalies and improve equitable levels of access to career development support.

- professional career development and job search coaching makes a significant impact on an individual's earning power, in most cases greater than the services of a recognised tax adviser, 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).

Peter Tatham
Executive Director
Career Industry Council of Australia