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To the Tax Forum

I urge the Forum to consider making the cost of professional career development and employment coaching services offered by Career Development Practitioners tax deductible for these reasons:

- It would encourage greater use of career development services which, in turn, would help people get the jobs for which they are best suited, thus improving the nation's productivity and reduce social exclusion in our society.
- Professional career development and job search coaching already prevent many skilled but otherwise disadvantaged people from becoming unemployed and thus a drain on the public purse.
- It would encourage more people to consider career development coaching as a worthwhile career and this in turn would increase the public benefit of these services
- It would remove the following anomalies;

o 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

o 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

o 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

o 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, initially this would make little difference to taxation income but, as the profession grows – and this move would, I am convinced, help it to do so – the loss of income would be offset by better productivity, better profitability, reducing the skills shortage my service operates I are local Government area with 40% youth unemployment, these young people have left school and are disengaged already and received poor advice whilst at school or not at all due to not aspiring to academic levels of education. It is these young people that can assist with skills shortages in this country that are not able to access this service. Job Services Australia providers are not serving these clients well due to Streaming levels of the service. Other clients I have provided services to keep them engaged in education and training by ensuring they make well informed decisions and transition to other industries as opposed to resigning. Additionally, educating employers of effective people management strategies assists workers to stay in jobs. So skills shortages, retained workers, pressure off JSA service providers and supporting other services that work with marginalized communities and groups certainly seems like common sense decision for tax reform.

Sincerely

**Nikki Szabo**

Director

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