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AMA URGES GOVERNMENT NOT TO RE-INTRODUCE THE WORK-RELATED SELF-EDUCATION EXPENSES TAX CAP

Amid pre-Budget speculation that the Government is forensically examining all aspects of tax policy for savings, the AMA has written to Treasurer Scott Morrison warning against reforms to the tax treatment of work-related expenses.

In April 2013, the former Labor Government announced changes to tax deductions for work-related self-education expenses, including a \$2000 cap on deductions.

In November 2013, the new Coalition Government dropped the controversial and divisive policy – a move welcomed enthusiastically by the AMA and other members of the 70-strong Scrap the Cap Coalition of professional associations and organisations, whose members were disadvantaged by the proposed changes.

AMA Vice President, Dr Stephen Parnis, said today that the AMA is encouraging the Treasurer and the Government to stand by their 2013 decision to support the continuing education requirements of many professional groups, including doctors.

“There have been worrying reports recently that the Government may be looking at resurrecting the unpopular reforms, including talk of the possible introduction of a ‘standard deduction’ for work-related expenses,” Dr Parnis said.

“This would effectively be a cap by another name.

“There are also concerns that the investigations into tax deductibility by the House of Representatives Standing Committee on Economics may find their way into Budget deliberations, to the detriment of the professions.

“We are urging the Government to resist any moves to put in place, directly or indirectly, a cap on deductions for legitimate work-related self-education expenses in the Budget or in any new tax policies.”

Dr Parnis said the Government must consider the impact of proposed changes on doctors and a whole range of other professionals who must continually update their skills and knowledge throughout their careers, at their own expense.

“Doctors must learn new about new technologies, surgical techniques, treatments, and pharmaceuticals if they are to provide the best possible care to save lives and improve quality of life for their patients,” Dr Parnis said.

“Australia has one of the most rigorous systems of medical training in the world, incorporating robust accreditation arrangements.

“Doctors who are in training programs must meet strict program prerequisites including ongoing assessment, examination, and participation in specific courses related to technical and professional expertise.

“Doctors can spend many thousands of dollars each year undertaking mandatory courses and professional development to equip them with essential skills in caring for patients.

“Doctors must also travel both within Australia and overseas to learn about the latest medical research and innovations, innovative surgery techniques, and advances in overall patient care.

“Rural and remote doctors would be hit hard by the changes because they are unable to access the training they need locally.

“A cap on work-related self-education expenses would hit junior doctors, salaried doctors, GPs, and other specialists, and is simply not in the public interest.

“It would create a huge disincentive for doctors to pursue specialised education that benefits the whole community.

“The AMA urges the Government to scrap any thoughts of a cap.”

Opposition to the former Labor Government’s proposed cap was substantial, with many of Australia’s peak professional organisations joining the Scrap the Cap Alliance to fight the imposition of the a tax on learning.

The AMA was a founding member of the Alliance, which had more than 70 member organisations covering more than 1.6 million professionals including universities, nurses, engineers, accountants, lawyers, veterinarians, allied health professionals, and small business operators.

Preliminary discussions have indicated enthusiasm for the Alliance to re-convene ahead of the election if a new cap is part of the Government’s tax reform plans.

4 April 2016

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