

Manager
Individuals Tax Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: selfeducationtaxreform@treasury.gov.au

12 July 2013

Dear Sir/Madam

RE: REFORM TO DEDUCTIONS FOR EDUCATION EXPENSES

Thank you for the opportunity to provide comment on the proposed reform to deductions for education expenses. The Green Building Council of Australia (GBCA) does not support the proposed reform as we believe that the proposed cap of \$2 000 on tax deductions for education expenses will have negative consequences for all industry sectors and for Australia's productivity and competitiveness.

The GBCA is Australia's authority on green buildings and communities, established in 2002 to develop a sustainable property industry in Australia and drive the adoption of green building practices. The GBCA promotes green building programs, technologies, design practices and processes, and operates Australia's only national voluntary comprehensive sustainability rating system for buildings and communities - Green Star.

The GBCA has more than 780 member organisations, including government departments, which work together to support the Council and its activities. The GBCA is also a founding member of the World Green Building Council (WorldGBC), which was established to provide a federated 'union' of national green building councils with a common goal to support the sustainable transformation of the global property industry; there are now 97 such councils worldwide.

Since its inception in 2002, the GBCA has provided training and continuing professional development opportunities to over 60 000 people in the property and construction sector. Green building is one of the world's fastest-growing industries, yet one which has changed significantly over the last ten years. In 2003, the GBCA released its first rating tool, Green Star – Office v1. Today there are over 600 Green Star-certified projects – totalling more than seven million square metres of certified space – with a further 470 projects registered.

When the GBCA was first established, the skills, knowledge and expertise for building sustainably were not widespread. Through training and capacity building, largely by people undertaking ongoing professional development, the expertise and achievement of the Australian property and construction industry is now highly regarded internationally and we are considered to be leaders in sustainable design and construction.

If Australia is to maintain world-leading capabilities in green buildings and sustainable communities, it is essential that the government encourages continued learning for industry professionals rather than looking for short-term opportunities to save cash at the expense of education.

The GBCA advocates for embedding green skills and sustainability principles into all aspects of the industry. People from across all professional services and trades recognise that it is essential for sustainability principles and green skills to be integrated into industry practices at every level. This cap will make it much harder for people to seek the training and development they need to keep Australia at the forefront of sustainable development.

The Australian Government has identified that education is an essential element of a productive nation. If Australia is to remain internationally competitive and take advantage of the opportunities that the Asian Century will bring, we will need more investment in lifelong learning, not less. Any measure that makes it costlier or harder for people to invest in their skills and expertise will undermine the capability, productivity and competitiveness of Australia's workforce.

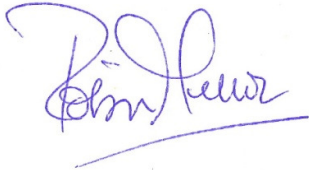
The property and construction sector and more specifically, the green building industry, represent a growth industry and significant opportunities for exporting our skills and expertise, as well as innovative technologies and design practices. The GBCA has taken a leadership role within the WorldGBC and we currently mentor green building councils in a number of Asian nations, including Indonesia, Malaysia, China and Hong Kong. The property and construction industries in these countries are eager to learn from Australia and there is significant demand for our experience, skills and innovations.

Imposing a cap on tax deductions will mean that less people will undertake the training and development they need to stay at the leading edge of innovation. Employers – whether large companies or small businesses – will not be able to fill the gap and there will be long-term and far-reaching consequences for the property and construction sector, and for the Australian economy as a whole.

The GBCA shares these concerns with a number of industry groups. The reduced demand for education that the proposed cap will likely bring will lead to less revenue for training and education providers of all types. Ultimately, this will lead to fewer funds available to invest in training and development options, supporting innovation and improving networks and will lead to further long-term, negative impacts on industry.

An innovative, competitive and productive property and construction industry relies on a workforce that has access to ongoing learning, development and training. We trust that the Australian Government will reconsider their position on this matter and commit to supporting ongoing education. Please do not hesitate to contact me, or Katy Dean, Advocacy Manager, by phone on 02 8239 6200, or via email at katy.dean@gbca.org.au should you require more information, or to arrange further consultation.

Yours sincerely,



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