



## Media Release

### Water sector to suffer from the education expense cap

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The leading membership association for water professionals and organisations, the Australian Water Association, is gravely concerned about the Federal Government's recent proposal to limit tax deductibility to \$2,000 for work-related self-education expenses.

Jonathan McKeown, Chief Executive of the Australian Water Association, said that this announcement proposes a severe threat to professional education in Australia, and in particular will have a significant impact on the Australian not-for-profit sector being able to provide the breadth and quality of its current training offerings.

"To continue to ensure that the nation's most precious resource, water, is protected, it is imperative that we invest in the expertise of Australian water professionals through continued professional development. We are very concerned that the Australian Government's proposal to introduce a \$2,000 a year cap on tax deductions for work related education expenses will have a number of consequences for both the water industry and the not-for-profit sector", said Mr McKeown.

This policy will have a serious adverse impact in a number of areas including:

**Lead to decline in overall skill level of water professionals.** It is necessary that water professionals continue to undertake professional development. Australia needs highly skilled professional workers to continue to lead the country in water resource management. By introducing this cap, employers will be constrained in ensuring that their workers maintain the high level of skill required to conduct their jobs. Ultimately, this could impact public health.

**Adversely impacting the sustainability of membership organisations like the Australian Water Association whose role is to keep the water sector up to date with industry best practice and research developments.** With many training courses, seminars and conferences costing in excess of \$2000 a year including travel expenses, there will be a drop off in the number of attendees in an already tightening market. This will have a serious impact on the profitability of these events and therefore the Australian Water Association's capacity to run them. This will in turn limit the breadth and quality of training courses and events provided by not for profit organisations including the Australian Water Association.

**Affect the competitiveness of Australian workers globally.** The short term financial gains will have long term affects on the Australian economy, as without skilled managers and leaders the Australian economy will suffer. Australia is currently a world leader in water knowledge and innovation and this cap will inhibit the transfer of these skills to the global market.

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**Reduction to the skills of professionals in rural and regional Australia.** Professionals working in rural and regional Australia will be hardest hit by this announcement as often their travel costs account for half of their professional education expenses. This is particularly important to the water sector, as water management is not urban-centric.

As Australia's leading membership association for water professionals and organisations, the Australian Water Association strongly opposes the cap of self education expenses and we call on Treasurer Wayne Swan to reconsider his stance on this very important matter for the water industry.

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