

12 July 2013



Australian Institute of Architects

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

To whom it may concern,

Reform to deductions for education expenses discussion paper

The Australian Institute of Architects is very concerned about the proposed reforms to self-education expense deductions announced by the former Treasurer in April and outlined in the May 2013 discussion paper. It is our view that these reforms will have adverse consequences for both architects seeking to up skill, and the future quality of the built environment.

The Institute is an independent, national member organisation with approximately 11,000 members across Australia and overseas. The institute exists to: advance the interest of members, their professional standards and contemporary practice, and expand and advocate the value of architects and architecture to the sustainable growth of our community, economy and culture. The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible and environmental design.

It is imperative that Australia continues to produce highly skilled, technically innovative architecture professionals that are internationally competitive, ensuring Australia's contribution to the global economic and creative economies and environmental sustainability. Architecture is one of the key professions that contributes to the sustainable design and development of the built environment, and will continue to make a significant contribution to achieving a low carbon economy.

Architectural practice, theory and research are continually evolving to meet the challenges posed by societal and climate changes. Changes in technology, infrastructure, materials, and the rise in innovation, means an architect by necessity must be multidisciplinary in both skills and scope. For example, further study and skills related to the practice of architecture include; urban design, sustainable development, urban policy and strategy, construction management, design innovation and environmental science.

With the demand for housing and infrastructure continuing to grow, climate change challenges architects in their approach to an environmentally sustainable built environment and the design of buildings to be adaptive for the longer term climate. These challenges not only apply to new buildings but also to existing buildings to prepare them for climate change mitigation and adaption. With an estimated replacement value of existing buildings, in excess of \$5.7trillion, it is imperative that the profession adequately prepares to meet these current and new challenges.

In addition, innovative and experimental work, conducted through research (PhDs etc) and non-built work, can lead to new, cutting edge, more efficient, sustainable outcomes for society.

Government efforts to address the future challenges facing the built environment, will require, amongst other measures, a commitment to facilitating self-education of professionals.

Australia has a rigorous system for accreditation of architects, incorporating (in most state jurisdictions) minimum continuing professional development requirements in order to retain registration as an Architect. In recognition of the importance of continuing education, the Institute has also introduced a new category of membership called A+, which requires a commitment to a minimum annual level of professional development be undertaken by all A+ members.

To facilitate architects to undertake this important upskilling requires equitable access to architectural related education. We are concerned that the proposed cap on self-education expense deductions will act as a disincentive for architects and other professionals to undertake further studies.

The cost of a typical, relevant post professional Masters degree far exceeds the \$2000 per annum cap. We understand that fees for a Masters degree in Urban Design for instance, are in the vicinity of \$32,000 per annum per student. In addition it is our experience that conferences related to the built environment frequently cost approximately \$1500 or more, and this does not include any associated accommodation or travel expenses.

Based on the former Treasurer's press release we understand that the reforms are being proposed to both; help fund the National Plan for School Improvement, and to clamp down on 'rorts' on the taxation system. We strongly object to self-education being negatively impacted in order to improve school outcomes. It is inconsistent with the government's commitment to the importance of education, to seek to improve education at one end of the spectrum at the expense of education at the other end. Surely all education is recognised as beneficial not only to the individual but to society as a whole and should be encouraged and facilitated.

The Institute supports sensible measures to address any 'rorts' however the implications of the proposed reform are too blunt and adverse, and could be likened to taking a sledgehammer to the issue when more targeted tightening of criteria could achieve a similar outcome without risking the up-skilling of professionals.

We are also concerned about the particular impact of these reforms on sole practitioners, small to medium practices, and practices located in rural areas where travel costs to access professional development are typically high. We also believe that to impact people who are already underway in their further study is unfair.

We urge the government to recognise the importance of further education and innovation within the architectural profession, to meet the challenges posed today and for the future of our built environment. We believe the proposed cap on self education expenses should be withdrawn.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Parken', with a long horizontal flourish extending to the right.

David Parken, LFRAIA
Chief Executive Officer