



The College for
Adult Learning

What you need to know about **self-education tax deductions**

FY 24–25

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THE REAL COST OF SELF-EDUCATION

OVERVIEW

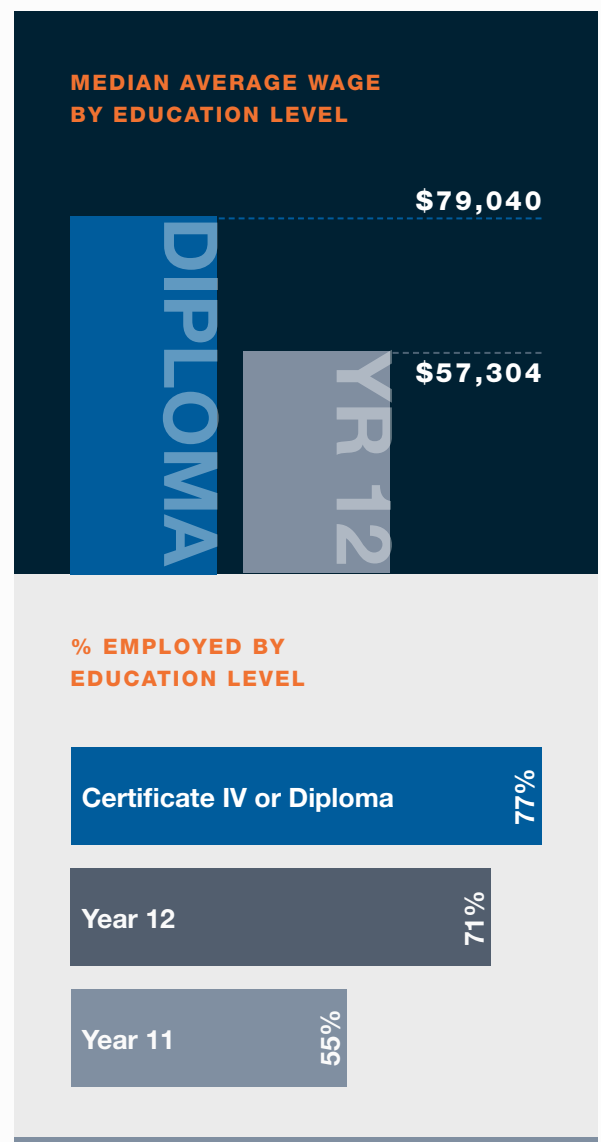
When you add up all of the expenses involved in undertaking a qualification, taking the leap into further education can feel overwhelming. But can you afford not to?



VET continues to produce superior results, and has proven itself to be a more flexible, accessible and adaptable platform for educating and skilling Australians than university education.

NICHOLAS WYMAN
CEO, SKILLING AUSTRALIA FOUNDATION

It's becoming increasingly important to get a qualification to stand out from the crowd. From formalising your experience to equipping you with new skills, studying a vocational qualification can boost your career prospects and help excel your current capabilities.



WILL I BE ELIGIBLE TO CLAIM?

Make the most of your studies and check if you can claim a deduction for your self-education expenses.

If you undertake study that relates to your employment at the time, you may be able to claim the deduction. The Australian Tax Office (ATO) states that you must meet at least one of the following criteria in that your study:

- ✓ Maintains or improves a skill or specific knowledge you principally use in your current employment activities.
- ✓ Leads, or is likely to lead, to an increase in employment income.
- ✓ Forms part of the traineeship under which you are a trainee.
- ✓ Upgrades your qualifications for your current employment.



KIM is a **human resources officer** and has decided to undertake the **Diploma of Human Resource Management (BSB50320)** to back up her work-based experience with a qualification.



She is improving specific skills or knowledge used in her current employment and will be able to claim the self-education tax deduction.



LEE is a **project manager** and has just started the **Diploma of Project Management (BSB50820)** to formalise his experience and pick up some extra skills to take on bigger projects.



He is improving specific skills/knowledge used in his current employment, which will likely lead to increased income from moving to larger projects. Lee will be able to claim the self-education tax deduction.

However, the deduction is intended only for those currently in a profession that the study directly relates to, so you will not be eligible if your study:

✘ Relates only in a general way to your profession or employment.

✘ Will enable you to gain new employment.



?

LILY worked as an intern in the **customer service team** for six months before quitting to travel. Having returned, she's started studying a **business diploma** so that she can get back into work.

✘

She will be studying in order to gain new employment.

Lily will not be able to claim the self-education tax deduction.



?

RANJIT is a successful **head chef** and has decided to partner with a friend to open up their own restaurant. He's looking at studying a **management diploma** to get some important skills he will need to be successful in this endeavour.

✘

He is gaining new knowledge and skills not directly related to his current profession, with the intent of using them in future employment.

Ranjit will not be able to claim the self-education tax deduction.



?

SARA is working as a **finance advisor** and intends to study a **project management qualification** so that she can move into project management roles in her workplace.

✘

She will gain new skills not directly related to her current position, with the goal of using them to gain a job.

Sara will not be able to claim the self-education tax deduction.

WHICH SELF-EDUCATION EXPENSES CAN I CLAIM?

What counts as a claimable expense? The ATO sets out strict rules for what counts as a self-education expense. Find out which expenses you can claim as a deduction.

DEDUCTION, REDUCTIONS, AND OFFSETS

The ATO has specified a \$250 reduction to some general expenses claims but does allow you to offset some certain expenses against this. To make it all a bit simpler, the ATO has separated expenses into five categories. See which categories your expenses fall under before we show you how to the ATO will calculate your total deduction allowable.

GENERAL EXPENSES CHECKLIST

- Tuition fees.
- Textbooks, professional/trade journals.
- Stationery.
- Phone calls and internet usage.
- Computer and photocopying.
- Expenses (excluding repairs).
- Student union fees.
- Interest fees on loans for study.
- Student services and amenities fees.
- Accommodation and meals.*
- Some travel expenses.
- Room/home office running.
- Expenses for self-education.

*When the course requires you to be away from home for one or more nights.



KIM claims these Category A expenses:

- The tuition fee for her enrolment in the human resources diploma with the College for Adult Learning.
- The notebooks and pens purchased for the purpose of her study.
- The purchase of a USB and printer cartridges for the purpose of her study.
- The internet usage costs for her study.

LEE claims these Category A expenses:

- The tuition fee paid on his payment plan for his project management diploma with CAL.
- The costs of the phone calls made to his learning coaches for assessment advice and guidance.
- The cost of professional journals purchased to assist with assessments and coursework.



DEDUCTIBLE INTEREST

Interest may be considered a deductible expense where it has incurred on loans taken out to pay for claimable self-education expenses.

APPORTIONING EXPENSES

There are expenses which are often incurred in both normal operation and living *and* in self-education related activities. For these, you can only claim the portion of expenses incurred during self-education activities as set out by the ATO and must divide up the expenses accordingly. This is called apportioning expenses.

It's important to note that method of claiming depreciating assets differs based on whether the item cost less than \$300 or more than \$300. See the ATO's [depreciation and capital allowances tool](#) for more info.

DECLINE IN VALUE

You may be able to claim the depreciation expenses of an asset used for study if that asset has a limited effective life and can reasonably be expected to decline in value over the time it is used.

The ATO provides for two methods of calculating the decline in value. The diminishing value method will give you a higher initial deduction, but diminishes more quickly than the prime cost method over the lifetime of the asset.

E.G.: INDEXATION AND INTEREST ON STUDENT LOANS.

- Sam takes out a VET student loan for \$2,395, which is indexed annually.
- Sam may be able to claim the \$479 of interest from their course as a deductible self-education expense.

E.G.: COMPUTERS FOR PRIVATE USE AND SELF-STUDY.

- Used 60% of the time for private use, 40% for self-study
- Only 40% of expenses allowed to claim against self-education.

DEPRECIATING ASSETS

- ✔ Computers.
- ✔ Desks and chairs.
- ✔ Calculators.
- ✔ Filing cabinets and shelves.
- ✔ Technical instruments/tools.
- ✔ Professional libraries.

E.G.: DESKTOP COMPUTER PURCHASED FOR BOTH PRIVATE AND SELF-STUDY USE

- Purchased July 1st, 2020.
- Original purchase cost of \$2,000.
- Expected usable lifetime (as set by ATO) is 5 years.
- Used for self-study purposes 60% of the time.
- Using the diminishing value method.

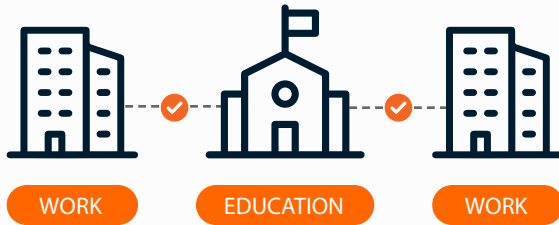
Income year	Opening adj. value	Decline in value	Taxable use	Deductible decline in value	Adjustable value at end of year
2020–2021	\$2,000	\$800	60%	\$480	\$1,200
2021–2022	\$1,200	\$480	60%	\$288	\$720
2022–2023	\$720	\$289	60%	\$173	\$431
2023–2024	\$431	\$172	60%	\$103	\$259
2024–2025	\$259	\$104	60%	\$62	\$155

CATEGORY B EXPENSES

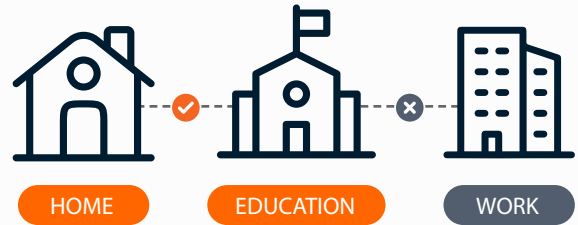
Use the ATO Depreciation Calculator to see what you're eligible to claim >>

TRAVEL EXPENSES

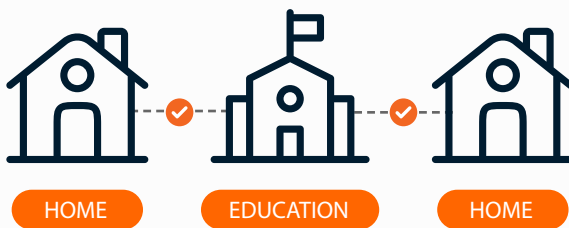
You can claim your travel expenses for the following commutes:



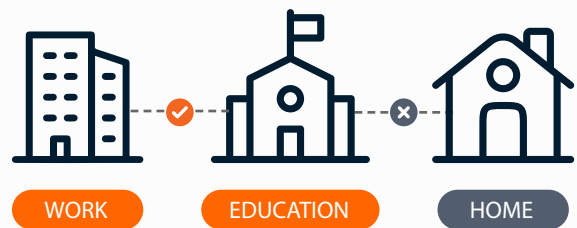
Your workplace > Your place of education > Your workplace



From your home > Your place of education > Your workplace



Your home > Your place of education > Your home



From your workplace > Your place of education > Your home

FOR ALLOWABLE TRAVEL EXPENSES,
YOU CAN CLAIM:

- > Public transport costs.**
- > Car travel expenses via logbook method.**
- > Car travel expenses via cents-per-kilometre method.***

**CATEGORY A EXPENSES

***CATEGORY D EXPENSES

REPAIRS

Where repairs are undertaken on an asset used for self-education, you may be able to claim the expense incurred.

E.G.: COMPUTER UNDERGOES REPAIRS SO IT CAN CONTINUE TO BE USED FOR STUDY

A repair must be putting something back in the same condition. An upgrade is not a repair. You might be able to claim an upgrade to an existing computer as part of a decline in value.

E.G.: A CAR NEEDS TO HAVE GENERAL REPAIRS DUE TO THE USE IN TRAVEL FOR SELF-EDUCATION

You cannot use the cents-per-kilometre method to claim car expenses if you intend to claim repairs.

CATEGORY C EXPENSES

HOW MUCH CAN I GET BACK?

Calculate how much you can claim on self-education deductions



STEP 1

Add together your Category A expenses

STEP 2

Add together your Category B expenses

STEP 3

Add together your Category C expenses

STEP 4

Add together your car-related expenses

STEP 5

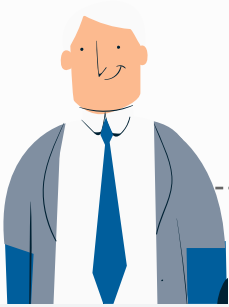
Finally, add the total from each category to calculate your total claim estimate

KIM calculates her deductions:

1	Category A expenses	+ Tuition fee + Notebooks + Pens + USB + Printer cartridges + Internet usage <hr/> \$3,600
2	Category B expenses	+ Computer depreciation (apportioned at 60%) <hr/> \$600
3	Category C expenses	+ Computer repairs (apportioned at 60%) <hr/> \$190
4	Car-related expenses	+N/A <hr/> \$0
5	Add Category A, B, C, and car-related expenses to total	+ \$3,600 + \$600 + \$190 + \$0 <hr/> \$4,390

THE EQUATION

Total claim estimate = A + B + C + car-related expenses



LEE calculates his deductions:

1	Category A expenses	+ Tuition fees paid + Phone call expenses + Professional journals + Internet usage + Home office running expenses	
			\$2,150
2	Category B expenses	+ Computer and home study depreciation	
			\$980
3	Category C expenses	+ N/A	
			\$0
4	Car-related expenses	+N/A	
			\$0
5	Add Category A, B, C, and car-related expenses to total	+ \$2,150 + \$980 + \$0 + \$0	\$3,130

STEP 1

Add together your Category A expenses

STEP 2

Add together your Category B expenses

STEP 3

Add together your Category C expenses

STEP 4

Add together your car-related expenses

STEP 5

Finally, add the total from each category to calculate your total claim estimate

THE FINAL IMPACT

Taxable income - total self-education claim estimate = estimated new taxable income.

2024/2025 FINANCIAL YEAR THRESHOLDS

Taxable income	Tax on this income*
0 – \$18,200	Nil
\$18,201 – \$45,000	16c for each \$1 over \$18,200
\$45,001 – \$135,000	\$4,288 plus 30c for each \$1 over \$45,000
\$135,001 – \$190,000	\$31,288 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$51,638 plus 45c for each \$1 over \$190,000

*Excludes additional levies, rebates, deductions, or offsets.



KIM's estimated new taxable income:

Previous taxable income	\$64,000
Tax on income*	\$9,988
Previous taxable income (Self-education deduction)	\$64,000
	-\$4,390
New taxable income	\$59,610
New tax on income*	\$8,671

 **KIM SAVES \$1,317.00**



LEE's estimated new taxable income:

Previous taxable income	\$88,000
Tax on income*	\$17,188
Previous taxable income (Self-education deduction)	\$88,000
	-\$3,130
New taxable income	\$84,870
New tax on income*	\$16,249

 **LEE SAVES \$939.00**

HOW CAN I START STUDYING?

What to consider when choosing an education provider and how to get started.

When you're researching education providers, look for an RTO that delivers high-quality training and support with high levels of student satisfaction.

[BROWSE COURSES](#)



FLEXIBLE LEARNING

Study when you want, where you want over a generous 24-month enrolment period.



UNLIMITED SUPPORT

Experience unlimited coaching calls, assessment help, and task simulations.



REAL OUTCOMES

Access career resources, including CV writing and interview preparation.



STUDENT-CENTRED

96% of surveyed students achieved their primary study goal with CAL.



QUALITY COURSE DESIGN

Course content is assessed by industry experts who you can chat with directly.



COOLING OFF PERIOD

We offer a 30-day cooling off period, so you can feel confident in your decision.

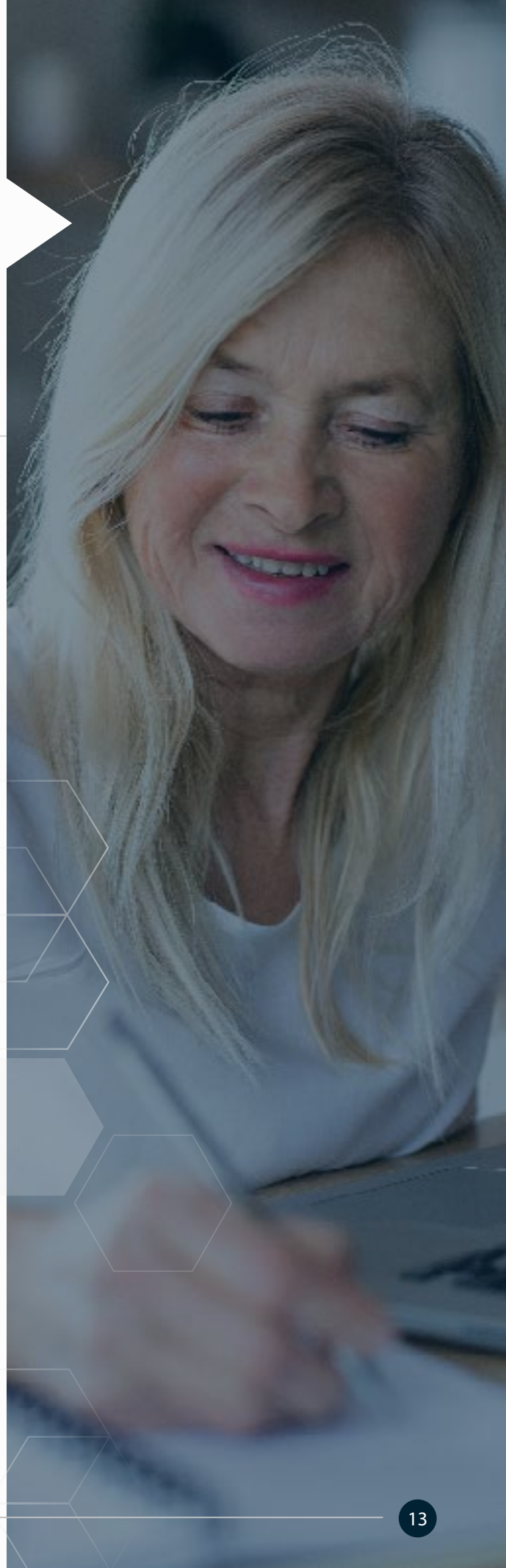
WHAT CAN I CLAIM?

Use our handy Self-Education Deduction Calculator to see what you could be saving, while still getting that coveted qualification under your belt!

Invest in yourself and take the leap to upskill. Enjoy the added benefit of knowing that the cost of studying doesn't have to hold you back from excelling in your career.

- 1** | Check if you are eligible to claim a self-education tax deduction
- 2** | Calculate your Category expenses
- 3** | Find out what you could deduct from your taxable income this financial year

[CALCULATE MY DEDUCTION](#)



MORE INFORMATION

Where do I go to lodge my self-education expense claims?
What tools can I use to help me?



MORE INFORMATION:

You can find information provided by the ATO on the self-education tax deduction here:
<https://bit.ly/44BX6Yo>



SELF-EDUCATION EXPENSES CALCULATOR:

You can check your eligibility and get an estimate of your claimable expenses here:
<https://bit.ly/3UyR7Pp>



DEPRECIATION & CAPITAL ALLOWANCES TOOL:

Calculate your decline in value by using this tool:
<https://bit.ly/3wi3VS3>

LODGING YOUR RETURN

Complete 'D4 Work-related self-education expenses' on your tax return.

Use e-tax:

Download e-tax from the ATO website at www.ato.gov.au/etax

Use TaxPack:

Prepare your tax return on paper. TaxPack is available from newsagents from July to October and from ATO shopfronts.

See a tax agent:


A list of registered tax agents can be found at www.tabd.gov.au


PLEASE NOTE

All situations represented are hypothetical and while we strive to present information as accurately as possible, we are not registered tax agents and therefore cannot provide any taxation advice. We encourage you to speak to a registered Tax Agent about all of your options and what evidence you will need to provide for self-education deductions before lodging your return.



Contact Us >

 1300 907 870

 collegeforadultlearning.edu.au