



INSTITUTE OF  
PUBLIC  
ACCOUNTANTS®

**Submission to  
Treasury:  
Education and  
training expense  
deductions for  
individuals**

January 2021

22 January 2021

Manager  
Individuals Tax Unit  
Individuals and Indirect Tax Division  
The Treasury  
Langton Crescent  
Parkes, ACT 2600

By email: [Selfedconsultation@treasury.gov.au](mailto:Selfedconsultation@treasury.gov.au)

Dear Sir / Madam

### **Education and training expense deductions for individuals Discussion paper December 2020**

The Institute of Public Accountants (IPA) welcomes the opportunity to make a submission in relation to the Education and training expense deductions for individuals Discussion paper December 2020.

The IPA is one of the three professional accounting bodies in Australia, representing over 40,000 accountants, business advisers, academics and students throughout Australia and internationally. Three-quarters of the IPA's members work in or are advisers to small business and SMEs.

We are supportive of initiatives that encourage individuals to continue upgrading their human capital skills over their working life. In an ever-changing labour market, few expect a job for life, and it will be more likely that individuals will have multiple careers over their lifetime. The increased rate of globalisation and technological change are other drivers that are contributing to the need for continued upgrading of skills.

Our current tax settings do not support or encourage the retraining and reskilling once an individual has commenced earning an income in their chosen field.

There are a number of existing support mechanism for higher education. The discussion paper provides an overview of these significant measures that are primarily aimed at a different cohort of individuals (students, low income or unemployed).

We see this proposed measure as adding to the current support for higher education while addressing a void in the existing arrangements for individuals who are currently earning an income and may be unable to access any of the existing support initiatives. For this cohort, the existing tax arrangements represent a deterrent to reskilling. In particular, the requirement for a tax deduction is limited to expenses in gaining or producing assessable income. This limits deductions to an individual's current employment activities that either maintains or improves the specific skills required for that employment or leads to an increased income in the individual's current employment. Education expenses that do not have a sufficient connection to an individual's current employment are therefore not deductible.

We see this proposal working hand in hand with one of the other 2020-21 Federal Budget announcements, namely, the exemption for FBT employer-provided education. The Government intends to exempt from FBT, employer-provided retraining and reskilling benefits to redundant, or soon to be redundant, employees where the benefit may not relate to their current employment. This allows the employer to bear the cost of retraining and reskilling without incurring FBT.

Without this FBT amendment, education expenses not related to an individual's current employment would be liable for FBT. To provide equity to individuals who do have employer support for reskilling or retraining, this proposal is important, to extend a similar tax concession to individuals who undertake further education costs themselves. The benefit to an individual of incurring the cost themselves will, however, be dependent on the individual's marginal tax rate.

There are wellbeing and economic benefits that quality education skills provide, which generally outweigh the cost of providing further support. There is a strong business case for providing additional support especially if it is directed to areas where there is a skills shortage.

The IPA Deakin research partnership published the inaugural “Small Business White Paper”<sup>1</sup> in 2015 that explores the policy options that the Government should consider. A whole chapter has been devoted to skills and human capital. Human capital is the fundamental driver of productivity. We have included in the appendix the abovementioned chapter of the White Paper<sup>1</sup> for your reference to further add our in-principal support to this proposal. There are strong linkages between education and entrepreneurial activity particularly for the small business sector and the wider economy.

The economy has been savaged by the financial impacts of COVID and we are supportive of initiatives that are aimed at improving our productive capacity. The recent Federal Budget has put in place sizeable tax incentives for replacing physical capital. We see this proposal in conjunction with wage subsidies such as the JobMaker Hiring Credit and Apprenticeship Wage Subsidy as providing further support to human capital. There are many skilled individuals who have been displaced and can be easily re-deployed into other less affected sectors with retraining.

The proposal also bodes well for individuals who wish to continue to work but for a number of reasons may not be able to do so (ie physical limitations, age, mental burnout), and need to reskill to remain in the workplace. There are a lot of occupations where the physical demands of the job cannot be sustained beyond a certain age, and therefore retraining offers an opportunity to extend an individual’s working life. This is particularly relevant if we are looking at a tsunami of baby boomers approaching retirement in the near future.

With international border restrictions, overseas immigration of skilled labour will be significantly curtailed. We need to look at ways to add to the supply side of the labour market and this proposal if, properly targeted, can contribute to adding capacity where it is needed.

Increasing the ability to claim deductions comes with a cost and therefore there needs to be integrity measures to ensure the proposal achieves good economic outcomes worthy of the tax concession.

We propose, that if this initiative is implemented, that there is a shared risk with the individual who proposes to take advantage of the concession. Quarantining half the upfront deduction until the individual earns income from an activity associated with the retraining is an appropriate model to ensure that taxpayers do not wear the entire cost of education outlay in cases where the retraining does not result in the furtherance of a new activity.

Further, for occupations or vocations that are in short supply, we should allow the full cost to be deducted upfront. Similar in concept to the discontinued 457 visa system, an occupations list that is updated to reflect industry needs can be maintained to incentivize the supply side to target the concession to where it may be most needed. Whatever integrity measures are introduced, we need to ensure that individuals do not take advantage of the relaxation of the tax rules to engage in lifestyle or personal choices subsidised by the taxpayer.

Specifically, our comments in relation to the discussion questions are as follows:

**Discussion question 1:** ‘Given the significant government funding provided for education and training, is a new tax deduction the most effective mechanism to encourage Australians to retrain and reskill to support their future employment and career?’

**Comments:**

- Yes, as commented above, the existing suite of support measures may not be available to individuals currently earning income.
- The skills that employers require are changing rapidly and continuously, more so now than ever, and the traditional education mantra of preparing individuals with problem solving skills that will meet employers’ needs throughout the employee’s career, whilst true, needs to be supplemented with more current, constantly updated and relevant skills.
- The most effective mechanism to encourage this constant thirst by employers for the upgrading of employee skills, is through providing incentives to individuals through the taxation system.

## Parameters of any new deduction

**Discussion question 2:** 'Should any new deduction be targeted to courses delivered by education and training providers registered with the appropriate regulatory bodies?'

**Comments:**

- This would be central to ensuring the integrity of the deductions.
- While not wishing to create an administrative burden, our view would be that this, in fact, will provide certainty and clear guidance on what is acceptable education and training expenses.
- In addition to recognised training and industry packages delivered by education and training providers registered with relevant regulatory bodies, consideration should also be extending the tax concession to education provided by Professional and Industry bodies subject to meeting some quality parameters and a vocational outcome.
- Professional bodies are in constant consultations with employers and are best placed to understand and offer the education and training that is being demanded by employers. An example of this is Micro-credentials, which are a form of certification that represent marks of achievement earned through completion of small pieces of learning at the learner's convenience. It offers members of professional associations the opportunity to update and demonstrate their skills, competence and knowledge in specific areas.

**Discussion question 3:** 'Should any new deduction be further targeted to study or training that has a vocational outcome, such as VET courses based on industry Training Packages, for example to exclude 'lifestyle and personal development courses'?''

**Comments:**

- In principle support for vocational outcome to ensure training excludes lifestyle and personal development courses.

**Discussion question 4:** 'Should deductions be targeted to courses in areas of expected jobs growth, for example as determined by the NSC?'

**Comments:**

- Yes, we would agree with this wholeheartedly. While somewhat discriminatory in nature, it addresses the supply of the labor supply chain. As mentioned above using the skilled migration system that applied to 457 visas to address market shortages in certain vocations ensures that resources are targeted at areas where the return is going to be the greatest for the economy.

**Discussion question 5:** 'Is there any reason to change the types of expenses that are able to be deducted? For example, should any new deduction be limited to tuition fees?'

**Comments:**

- The existing framework provides a good basis for the new deduction. The deduction could be limited in scope to reduce the overall cost to the taxpayer but if appropriate integrity measures are put in place, we support the current allowable inclusions.

**Discussion question 6:** 'How should the tax deduction interact with government funding, subsidies and loans for higher education and VET courses?'

**Comments:**

- The tax deduction is only of benefit to individuals currently earning income and therefore some of the existing support measures are income tested and are generally not available to such individuals. Where this is not the case there needs to be a conscious effort to avoid any duplication of any incentives.
- We support the capping of a loss for any new deduction consistent with the current rules that apply to deductible gifts and deductible superannuation contributions.

**Discussion question 7:** 'Irrespective of any new education deduction, should the \$250 reduction in expenses be removed?'

**Comments:**

- Yes, we would agree that this needs to be removed as the concept is outdated and does not serve any useful purpose. Most individuals allocate costs that are not deductible against this arbitrary threshold, so its removal eliminates some unnecessary compliance.

## Safeguarding the tax system

**Discussion question 8:** 'Are other measures required to minimise opportunities for tax misuse and abuse?'

**Comments:**

- The existing rules around expense substantiation need to be maintained supplemented with specific guidance on the types of deductions that will be permitted.
- A shared risk approach may be warranted by quarantining half the upfront cost to ensure that the individual pursues a vocational outcome that is aligned to the education course being claimed. For occupations that are in short supply, we support full expensing of the deduction to target the tax concession to good economic outcomes, ie adding labour to the supply chain where it is most needed.

We support the proposal to extend deductions for education and training expenses in principle, subject to appropriate integrity measures to ensure the policy objectives are achieved.

If you have any queries or require further information, please don't hesitate to contact Tony Greco, General Manager, Technical Policy, either at [tony.greco@publicaccountants.org.au](mailto:tony.greco@publicaccountants.org.au) or mobile: 0419 369 038

Yours sincerely



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## APPENDIX

Extract from Institute of Public Accountants and Deakin University (2015) Small Business White Paper – Policy Options for Australia

# Chapter 6: Skills and human capital

## Headline findings

- When businesses have a high demand for skilled labour, but are constrained by lack of skills, there is a prima facie case for government intervention.
- The strongest argument for government intervention relates to the potential for positive spill-overs into the wider economy, as highly skilled workers move between employers and disseminate their knowledge.
- One in six businesses in Australia experience skills deficiency issues. Deficiencies are most apparent in trades, but many businesses also report shortages of finance professionals, marketing professionals and IT professionals.
- The sectors we predict are going to deliver future growth and productivity increases – communications and professional services – have a high and unmet demand for IT workers at professional and technical levels. These are sectors characterised by high knowledge intensity and a disproportionately high smaller firm presence.
- A detailed study of enterprise training in the education system provides strong support for an interventionist and broad strategy of policy development at all levels of the system.

## Introduction

The ability to start and develop a sustainable business is fundamentally related to internal capacity and capabilities from top management down to the core workers<sup>46</sup>. For smaller businesses, which have a greater probability of being credit constrained and under-capitalised, human capital capability is more critical as they are more likely to adopt labour-intensive modes of production. To this end, the ability to successfully recruit and retain high quality workers is paramount<sup>47</sup>. Human capital largely determines a firm's absorptive capacity, and hence its ability to effectively deploy different types of knowledge and resources.

In the 3 pillars concept (introduced in Chapter 1), human capital is a fundamental driver of productivity in its own right. But in combination with innovation and physical capital, its economic impact through efficiency gains is even larger. A poor internal skills level is a key indicator of low productivity and high staff turnover. It also imposes additional costs by necessitating external recruitment rather than internal promotion. In contrast, high skill levels are associated with higher productivity in a direct sense, and also with a productivity-enhancing effect on other co-workers. In this chapter we present evidence relating to skills demand in the Australian business sector and identify specific skills shortages. We argue that where businesses have a high demand for skilled labour, but are constrained by lack of internal and/or external skills, then this represents a prima facie case for government intervention. On the firm side, this may relate to training of their own workforce, and in the wider economy, this may include policies relating to education and training of the wider labour force.

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<sup>46</sup> Cowling (2001).

<sup>47</sup> BIS (2013)

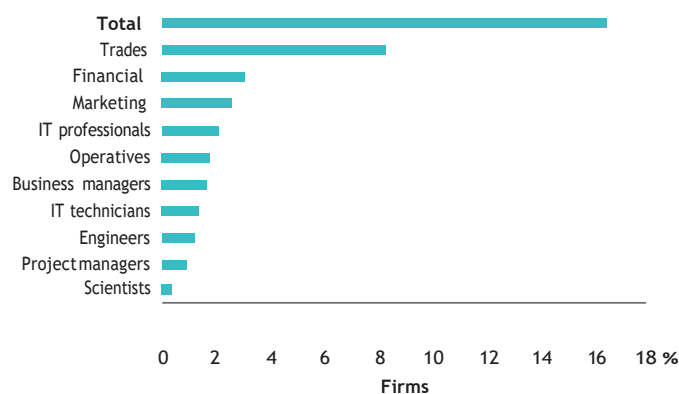
## Skills demand and deficiencies

The evidence clearly shows that deployment of skilled labour increases with the size of business, with one notable exception – scientific and research staff play a more significant role among micro and smaller businesses than among larger businesses. But the general pattern suggests that the smaller the business, the fewer skills deployed. And this has negative implications for their ability to deal with unanticipated shocks.

The evidence on skills deficiencies is quite varied. Although larger businesses (those with a higher use of skilled workers) are constrained by a relative lack of engineers, IT professionals, skilled trades people, project managers and business managers, it is micro businesses that are more constrained by deficiencies in relation to scientists and research professionals, IT technicians, marketing professionals and project managers.

Figure 33 shows that one in six businesses in Australia face problems relating to skills deficiencies. While deficiencies are most apparent in trades, 64,000 businesses have an identifiable deficiency in finance professionals, 55,000 in marketing professionals, and 44,500 in IT professionals. This suggests that while the immediate labour market problem Australia faces relates to the construction boom and a lack of skilled trades people, the underlying problem might be in high value-added professional services.

Figure 33: Skills shortages



Source: ABS Business Longitudinal Database 2006-07 to 2010-11

In addition to analysing skills issues across different size classes of businesses, it is important to also consider the nature of industry sector constraints. Table 1 identifies specific industry sectors with an identifiable skills deficit.

Table 1: High skills demand and high skills deficit industry sectors

INDUSTRY SECTOR	SKILLS DEFICIENCIES
Mining	Engineers, scientists and researchers, IT technicians, project managers
Manufacturing	Trades operatives, project managers
Construction	Trades operatives, project managers
Transport	Operatives
Communications	IT professionals, IT technicians
Professional services	IT professionals, IT technicians

Source: ABS Business Longitudinal Database 2006-07 to 2010-11 (authors calculations)

It is clear that the booming sectors of the economy have a strong demand for core functional workers, and that the mining industry also has a high demand for highly skilled workers across the board. But perhaps the most critical aspect looking forward is that the sectors we predict hold the key to future growth and productivity increases – communications and professional services – have a high and unmet demand for IT workers at professional and technical levels. More importantly, these are sectors characterised by high knowledge intensity and a disproportionately high smaller firm presence.

### BOOSTING SKILLS DEMAND AND SUPPLY

The key to resolving Australia's longer-term goal of creating a more dynamic and productive small business sector lies in boosting both skills supply and skills demand. In short, policy attention needs to focus on both sides of the skills market in order to create more quality jobs for more productive workers. In this sense, there is a need to:

- Co-ordinate employment, skills and economic development policy with the labour market, training and economic policy.
- Create a lifelong learning culture that delivers a workforce that is adaptable and mobile between firms and sectors, enabling resources (investment and people) to flow to

those areas of the economy that have the most productive potential.

- Move out of a low skills trap, where some sectors of the economy have a low-skills equilibrium in which firms offer low-skilled jobs and operate in low-cost markets.
- Educate and train managers and entrepreneurs to stimulate demand for higher skilled jobs.



Given the importance of entrepreneurial businesses in net job generation, entrepreneurs have a major role to play. But helping the entrepreneurial sector to achieve its potential requires policy support across many areas, including business growth (initiating and managing growth) and the development of core entrepreneurship skills.

Entrepreneurs need a wide range of skills, including job-specific and functional skills such as communication, team-working, organisation and planning, as well as more general business skills. The general trend is away from jobs that require routine and manual tasks towards jobs that require problem solving and complex communications. And this requirement for high level cognitive skills is more apparent for the entrepreneurial population. A 2014 OECD report, titled *Job Creation and Local Economic Development*, states: “The ‘science’ of entrepreneurship is teachable but the ‘art’ of entrepreneurship is typically learned through practice.” This is of great importance given the dominant role that knowledge capital plays in economic growth and the role of entrepreneurs as agents of change and growth.

The creation of an entrepreneurial ecosystem in which a system of support can deliver these skills to the entrepreneurial population, which in turn creates a demand for higher skilled employment, requires co-ordination across key agents including universities, economic development agencies and firms themselves.

The OECD provides a useful categorisation of the interaction of skills demand and supply for use as a skills diagnostic tool.

**Table 2. Interaction of skills demand and supply**

Skills Demand 	Skills deficit	High skills equilibrium
	Low skills equilibrium	Skills surplus
		Skills Supply 

Source: OECD (2014) *Job Creation and Local Economic Development*

Here, a low-skills equilibrium is characterised by a concentration of firms using price-based competition strategies, reliant on low-skilled and standardised production. This would be a reasonable characterisation of significant parts of the domestic based service industries in Australia, particularly those segments dominated by very small firms.

## MOVING OUT OF THE LOW-SKILLS EQUILIBRIUM

For the entrepreneurial population, this would require the skills and capabilities to develop and implement new market-based strategies. This, in turn, would stimulate demand for higher skilled workers. On the supply side, the Skills Australia *Better Use of Skills, Better Outcomes* report (2012) identified seven key skills-based issues that would deliver more productivity in the workplace:

- Job redesign
- Employee participation
- Autonomy
- Job rotation
- Skills audits
- Multi-skilling
- Knowledge transfer

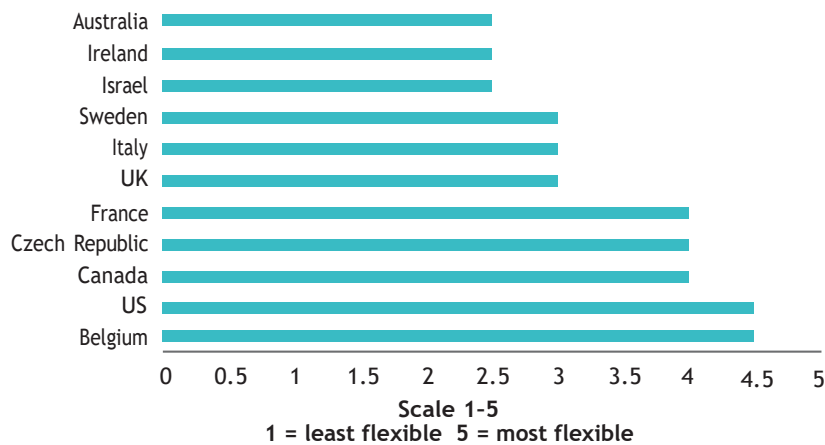
But, as with most government initiatives, the proposals were designed for, and in consultation with, large employers and large employee representative bodies. If implemented by a large employer, there would be a period of consultation with employee representatives, development of formal systems and processes, and lots of bureaucracy and additional costs. Many of these practices occur on an informal basis in small firms. But the evidence on the relative (lower) productivity of smaller firms compared to large suggests that these supply-side solutions are, at best, only part of a more complex solution.

What about the role of institutions in resolving skills mismatches at the firm and sector level, and where low-skills equilibriums exist?

The OECD (2014) strongly supports flexibility at the local level in designing and delivering employment policies and programs. Figure 34 suggests that Australia has a top-down, one-size-fits-all strategy in this area, which does not take into account local labour market conditions and specific skills demand and supply issues. The OECD recommends that policies and programs be adjustable at a ‘local’ level, but with one caveat: that flexibility requires strong ‘local’ leadership and capacity.



**Figure 34: Flexibility in the management of employment policies and programs**



### CAN ENTERPRISE TRAINING IN THE EDUCATION SYSTEM PLAY A ROLE?

The role of human capital has been central to our understanding of what makes a successful entrepreneur<sup>48</sup>. Researchers have separated out human capital into two broad categories: formal (essentially educational qualifications and experience) and informal (developed through work and familial experiences). They have also examined whether one or the other ‘types’ of human capital is more helpful in pursuing an entrepreneurial career<sup>49</sup>. Other research has questioned whether entrepreneurship can be taught at all, or whether it is an innate characteristic<sup>50</sup>. Finally, the issue of whether enterprise education and training can make a difference to business outcomes has always been open to question and at present suffers from a lack of empirical testing.

While there are no definitive answers to any of these questions, the broad evidence base suggests that:

- Informal human capital is more important in the entrepreneurial sector than the waged sector<sup>51</sup>.
- Psychological characteristics explain rather less about entrepreneurial behaviour than labour market experience and socio-demographic characteristics<sup>52</sup>.
- Entrepreneurship has formal, managerial and decision-making elements that lend it to formalised teaching<sup>53</sup>, and opportunity identification is at the heart of this<sup>54</sup>.

48 Cowling (2000); Cressy (1996).

49 Parker (2008).

50 See Lee and Wong (2006) for an excellent review.

51 Cowling et al. (2004); Taylor (1996); Burke et al. (2000).

52 Blanchflower and Oswald (1998).

53 Cowling (2003).

54 Dana (2001).

A 2009 UK study by Professor Marc Cowling of the Brighton Business School explored (a) enterprise training in schools, (b) enterprise training in colleges and universities, (c) work experience in small business, and (d) enterprise training on a government program, and their impacts on:

- The probability of starting a new business.
- The probability of being involved in a spin-out from an existing firm.
- The probability of being an established business owner.
- An individual’s willingness to start a new business in the future.

The findings were illuminating, and provide support for an interventionist and broad strategy of policy in the area of enterprise education at all levels of the education system.

The core findings were:

#### Business start-up

Enterprise training in college or university increased the probability of starting a business by 1.3 per cent, while enterprise support through a government program increased the probability by 1.5 per cent. These probabilities are not only statistically significant, but substantial in the context of how many people actually start new businesses each year in the UK. Of the hundreds of thousands of young people who graduate from higher education institutions each year, at present only one fifth receive enterprise training – and these people have a 1.3 per cent higher probability of starting their own business. Hence, we might conclude that an expansion of the supply of enterprise training throughout the further and higher education sector might yield a substantial increase in the number of people involved in business start up activity. However, there may be diminishing returns if colleges and universities have cherry picked courses most likely to lead to entrepreneurial activity and careers. This question certainly appears worthy of further investigation.

In terms of access to government enterprise programs, the effect on business start-up probabilities is positive and significant. Among the adult population, the total exposure was just under 15 per cent, and peaked in the 1980s. But many young people today still receive government enterprise support. And this general legacy effect acts to increase the start-up probability across all age groups. This implies that a general and continued commitment to government-supported enterprise programs has paid off in terms of increasing the number of people who are currently active in starting their own business. Whether the costs of such provision are justified by the additional economic activity is an issue for policy evaluation.

### Job related start-up

The next focus is on what business researchers often call intrapreneurship (entrepreneurial activity within a firm). The report finds that college or university-based enterprise training increases the probability that an individual will become involved in job related start-up activity by 0.4 per cent, and school based enterprise training by 0.3 per cent. Involvement in government enterprise programs increases this probability by 0.4 per cent. Although the scale of these effects is much smaller than for independent business start-up activity, this may reflect the relative difficulty of pursuing entrepreneurial activities within the formalised structures of firms. What it does suggest is that for individual firms, the types of people they are more likely to get engaged on these projects are those that have had access to enterprise training of all forms. This might suggest a positive dynamic generated by all forms of enterprise training, that firms themselves become more entrepreneurial or at least make use of the people with enterprising human capital.

### OWNER-MANAGER OF A SMALL BUSINESS

The third measure of entrepreneurial behaviour is being an owner-manager of an existing small business. Here again, we find that receiving enterprise training through a college or university or from a government program increases the probabilities that an individual is an owner-manager of a small business by 2.3 per cent and 3.0 per cent respectively. The scale of these effects is large, and implies that exposure to enterprise training achieves its primary goal of increasing entrepreneurial activity rates.

### Future start-up potential

The study found that people receiving enterprise training at college or university have a 3.2 per cent higher probability of starting a new business in the future, and that those who have received enterprise training through a government program have a 4.0 per cent higher probability. In addition, those who have had work experience in a smaller business have a 1.4 per cent higher probability. This evidence strongly suggests that exposure to enterprise training, at the minimum, raises individual awareness of entrepreneurial activity and instils a more positive attitude towards enterprise as a career option.

In summary, the results of the study suggest a generally positive relationship between enterprise training and current and future entrepreneurial activity. But this portrayal may be slightly misleading if individuals with the greatest desire, a priori, to pursue an entrepreneurial career path, select into enterprise training. Thus it becomes self-fulfilling that those who elect to get training then go on to start their own businesses.

On balance, however, it does appear that promoting enterprise in the education system, and through government-backed enterprise programs, does have the desired policy outcomes. It is also clear that gaining work experience in smaller businesses increases an individual's willingness to become an entrepreneur. But the evidence also suggests that the people most likely to pursue an entrepreneurial career also are those most likely to receive enterprise training or gain work experience in a smaller business. There are two alternative ways to view this. First, it is a good thing as it provides willing participants with new knowledge and the tools for success when they embark on an entrepreneurial career path. In effect, the provision of enterprise training and education acts as a filter to discriminate between the unwilling and unlikely and future entrepreneurs. But it may also be true that expanding enterprise training and education has diminishing returns as it becomes harder to convince the unwilling that they have an entrepreneurial future. Even so, it is not clear that we have reached the point of negative returns (where there is too much enterprise education and training for the numbers of people who might subsequently benefit). One could argue that as the peak age for starting an entrepreneurial career is typically between 35 and 45, enterprise training is a useful addition to the general human capital of any school, further education or higher education student.

While enterprise education and training appears to have a positive effect on entrepreneurial activity rates, there is another question: has it improved quality of entrepreneurs? Here the results also show some positive effects, with schools-based enterprise education and work experience being associated positively with job creation, and college/university and government-supported training associated with greater exporting capacity.

When it comes to policy, it appears that enterprise education is already well integrated into the further and higher education systems in Australia, but as yet not widely available in schools. If policy makers are minded to create a continuous ladder of enterprise education starting in schools and continuing right through to the labour market, this patchy provision needs to be addressed at the earliest level, and potentially at later stages, where large regional imbalances are evident in terms of accessing government supported enterprise training. And policy makers must decide whether they want to target resources at the 'most willing' or adopt a more inclusive agenda that would seek to change the mind-sets of the 'unwilling'.

## Recommendations

### Education and training

To address the significant skills deficit in the economy, governments (federal and state) need to reform the education system to increase and improve the nation's stock of skilled, knowledge-based workers. Governments should consider the inclusion of business training at all levels of the education system, from early school years through to further and higher education. Specifically, we recommend that:

- Entrepreneurship programs should be integrated into the National Curriculum at all levels of secondary school.
- STEM (science, technology, engineering and maths) subjects should be promoted and financially supported for all secondary school students.
- Small and medium-sized enterprises employing STEM graduates should receive a training and development allowance for the first year of their employment.

# EDUCATION AND TRAINING

*'future start-up potential'*



## **3.2%**

People receiving enterprise training at college or university have a 3.2 per cent higher probability of starting a new business in the future

## **4.0%**

Those who have received enterprise training through a government program have a 4.0 per cent higher probability

## **1.4%**

In addition, those who have had work experience in a smaller business have a 1.4 per cent higher probability

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