This question is about self-education expenses that are related to:

- your work as an employee, or
- your receipt of Austudy, ABSTUDY or Youth allowance to study.

Self-education expenses are expenses that you incur when you do a course to get a formal qualification from a school, college, university or other place of education.

To claim a deduction for work related self-education expenses, you must have met one of the following conditions when you incurred the expense:

- the course maintained or improved a skill or specific knowledge required for your then current work activities
- you could show that the course was leading to, or was likely to lead to, increased income from your then current work activities, or
- other circumstances existed which established a direct connection between the course and your then current work activities.

You cannot claim a deduction for work-related self-education for a course that:

- relates only in a general way to your current employment or profession, or
- will enable you to get new employment.

**Example**

Louis is a computer science student. He does not receive Austudy, ABSTUDY or Youth allowance. His studies are focused on system analysis, software design and programming. Louis also works at the university laboratory installing computers. His course and job are only very generally related. The work only requires a low level of computer knowledge which Louis already had before starting his employment.

The high-level professional skills Louis acquires from the course are well beyond the skills required for his current employment. Consequently Louis cannot claim a deduction for his course because it:

- does not maintain or improve his specific knowledge or skills in his current job
- relates in only a general way to his current employment, and
- will enable him to get new employment.

You can also claim a deduction for self-education expenses if, in doing the course, you are satisfying study requirements to receive Austudy, ABSTUDY or Youth allowance to study.

If, when you incurred your expenses you satisfied the conditions necessary to claim a deduction, you can claim the following:

- your tuition fees payable under FEE-HELP (FEE-HELP provides assistance to eligible fee-paying students, who are not supported by the Commonwealth, to pay tuition fees)
- your tuition fees payable under VET FEE-HELP (VET FEE-HELP provides assistance to eligible full-fee paying students doing vocational education and training (VET) accredited courses with an approved VET provider)
- self-education expenses you paid with your OS-HELP loan (OS-HELP is a loan to cover expenses for eligible Commonwealth supported students who wish to study overseas towards their Australian higher education award)
- the cost of your meals during temporary overnight absences from home to participate in self-education
- your other expenses such as textbooks, stationery, student union and course fees, and the decline in value of your computer (apportioned depending on private use and use for self-education)
- for work related self-education, expenses for your travel in either direction between:
  - your home and your place of education
  - your workplace and place of education.

Only the first leg of the trip is deductible if you went from home to your place of education and then to work, or the other way around.

If you receive Austudy, ABSTUDY or Youth allowance to study full-time, you cannot claim a deduction for travel between your home and your normal place of education.

You cannot claim contributions you, or the Australian Government, make under HECS-HELP or repayments you make under the Higher Education Loan Program (HELP) or the Student Financial Supplement Scheme (SFSS).

Do not include at this item deductions for the cost of:

- formal education courses provided by professional associations
- seminars, education workshops or conferences connected to work.

Include them at item D5 Other work-related expenses.

**Did you have any of these expenses?**

**NO**  Go to question D5.

**YES**  Read on.
ANSWERING THIS QUESTION
To complete this item you will need written evidence. For more information on what is written evidence go to www.ato.gov.au and enter ‘Keeping your tax records’ in the ‘Search for’ box at the top of the page.

You can use the self-education expenses calculator at www.ato.gov.au/calculators to work out your claim, then go to step 4 under Completing your tax return on page 38. Otherwise, follow the instructions on the next page.

To work out the deduction you can claim at this item for car and travel expenses, see question D1 Work-related car expenses on pages 29–32 and question D2 Work-related travel expenses on page 33.

If you received assessable income from your work as an employee outside of Australia, including any assessable foreign employment income shown on your PAYG payment summary—foreign employment, you can claim any work-related self-education expenses you incurred in earning that income at this item.

COMPLETING YOUR TAX RETURN
To complete this item, you must add up your self-education expenses under the following categories because, in working out what you can claim, certain costs are reduced by $250.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Your amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>General expenses that are deductible, including textbooks, stationery, student union fees, course fees and public transport fares. Also include car expenses (other than the decline in value of a car) worked out under the ‘logbook’ or ‘one-third of actual expenses’ method. For more information, see question D1 Work-related car expenses on pages 29–32.</td>
<td>$</td>
</tr>
<tr>
<td>B</td>
<td>Deductions for the decline in value of depreciating assets used for self-education, including computers and cars for which you are claiming deductions under the ‘logbook’ or ‘one-third of actual expenses’ method.</td>
<td>$</td>
</tr>
<tr>
<td>C</td>
<td>Expenses for repairs to items of equipment used for self-education.</td>
<td>$</td>
</tr>
<tr>
<td>D</td>
<td>Car expenses related to your self-education for which you are claiming deductions under the ‘cents per kilometre’ or ‘12% of original value’ method. (If you have included deductions for the decline in value of or repairs to your car under category B or C, you cannot claim car expenses under this category.)</td>
<td>$</td>
</tr>
<tr>
<td>E</td>
<td>Self-education expenses that are not deductible, which are: ■ private costs, including non-deductible travel and childcare costs, and ■ capital costs, like the purchase price of a desk or computer. Do not include contributions you made under HECS-HELP or repayments under HELP or SFSS.</td>
<td>$</td>
</tr>
</tbody>
</table>
Use the amounts you have written in the worksheet on the previous page to complete the steps that follow.

**Step 1**
If you had any category A expenses, go to step 2. Otherwise, read on.

\[\text{Add } B, C \text{ and } D. \quad \$ \quad (f)\]

Transfer the amount at (f) to D item D4. Go to step 4.

**Step 2**

\[\text{Add } C, D \text{ and } E. \quad \$ \quad (g)\]

If the amount at (g) is less than $250, go to step 3. Otherwise, read on.

\[\text{Add } A, B, C \text{ and } D. \quad \$ \quad (h)\]

Transfer the amount at (h) to D item D4. Go to step 4.

**Step 3**

\[\text{Take the amount at (g) away from } \$250. \quad \$ \quad (i)\]

\[\text{Take the amount at (i) away from your category A amount. If the result is zero or less, write } 0 \text{ at (j).} \quad \$ \quad (i)\]

\[\text{Add } B, C \text{ and } D. \quad \$ \quad (k)\]

\[\text{Add (k) and (j).} \quad \$ \quad (l)\]

Transfer the amount at (l) to D item D4.

**Step 4**
Select from the list below the code letter that best describes your self-education.

- **K** At the time you incurred the expense the study maintained or improved a skill or specific knowledge required for those work activities.
- **I** At the time you incurred the expense you could show that the study was leading to, or was likely to lead to, increased income from those work activities.
- **O** At the time you incurred the expense, other circumstances existed which established a direct connection between your self-education and your work activities as an employee.
- **X** You incurred the expense in doing a course of study for which you received Austudy, ABSTUDY or Youth allowance to study.

**Step 5**
Print your code letter (K, I, O or X) from step 4 in the CLAIM TYPE box at the right of D item D4.

**MORE INFORMATION**
For more information, see:
- *Guide to depreciating assets 2011* (NAT 1996) about deductions for decline in value, balancing adjustments and immediate deductions for certain depreciating assets

**TAX TIPS**
To make working out your deductions easier next year, start keeping your records now. For more information about record keeping go to [www.ato.gov.au](http://www.ato.gov.au) and enter ‘Keeping your tax records’ in the ‘Search for’ box at the top of the page.