


TGD 93/2 - Training guarantee: can expenditure incurred by an employer on training himself/herself (ie: a business proprietor, a partner, a trustee or director) count for the purposes of meeting the minimum training guarantee requirement?

 This cover sheet is provided for information only. It does not form part of *TGD 93/2 - Training guarantee: can expenditure incurred by an employer on training himself/herself (ie: a business proprietor, a partner, a trustee or director) count for the purposes of meeting the minimum training guarantee requirement?*

This document has been Withdrawn.

There is a [Withdrawal notice](#) for this document.

This Determination is not a 'public ruling' in terms of Part IVAAA of the Taxation Administration Act 1953. Training Guarantee Determinations do not have the force of law. Each decision made by the Australian Taxation Office is made on the merits of each individual case having regard to any relevant Determination or Ruling.

Training Guarantee Determination

Training guarantee: can expenditure incurred by an employer on training himself/herself (ie: a business proprietor, a partner, a trustee or director) count for the purposes of meeting the minimum training guarantee requirement?

1. Yes. The Training Guarantee legislation provides that the sole or principal object of training must be to develop the employment related skills of employees or other persons.
2. The phrase 'employees or other persons' gives employers a wide discretion in choosing how best to spend their training dollar to improve productivity, flexibility or safety in work practices. It comprises all employees (including managers). 'Other persons' would include owner-managers, partners, directors, sub-contractors, and in some instances key suppliers or clients.

Example:

John Mack is a partner in a rural transport firm. He arranges to attend a business management seminar which is very relevant to the problems facing his business. It is of one week's duration and is being conducted by a chamber of commerce in a capital city. The seminar has been designed as a structured training program to comply with the training guarantee legislation.

The expenditure incurred by the partnership to enable John to travel to and from the seminar (\$100), the attendance fee (\$500), and for his meals and accommodation while attending (\$400) would be eligible training expenditure.

John's normal weekly drawings (\$500) do not constitute salary or wages. Rather, they are advance distributions of profit. Consequently, this amount is not eligible training expenditure.

Note: Proprietors' and partners' drawings of income are not taken into account in calculating annual national payroll.

Commissioner of Taxation

FOI INDEX DETAIL: Reference No.

Previously issued as Draft TGD 92/D2

Related Determinations:

Related Rulings:

Subject Ref: eligible training expenditure, employees, minimum training requirement, other persons

Legislative Ref: TGAA 25, 26, & 27

Case Ref:

ATO Ref: ALB/TG/TGR 2