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Review of the Taxation of Plantation Forestry
C/- Department of the Treasury
Langton Crescent
PARKES ACT 2600

I hereby lodge my submission to the Review of the Taxation of Plantation Forestry, as per the joint media release of June 17, 2005, by Mal Brough MP and Senator Ian Macdonald.

Submission

I have grave concerns about the impact of the current plantation establishment and management culture. I believe that changes to tax advantages given to short rotation plantation investors will go some way to appeasing my fears.

This year, the Australia Government Forest and Wood Products Research and Development Corporation (FWPRDC) produced a study to "...identify different factors that have acted to limit investment and to propose a series of measures to overcome impediments ...". (Publication: Impediments to Investment in Long Rotation Timber Plantations, p1 – see www.fwprdc.org.au).

While I am not totally comfortable with the findings of this study, I agree that what it proposes would be a change in the right direction. One recommended action I take issue with is abolishing the sunset clause for the 12-month pre-payment rule applying to MIS. Why should this pre-payment apply only for plantations? Why not for any other crops – well, at least at the same generous rates?

I believe there are far too many opportunities for less than noble operators take advantage of the current tax incentives offered through plantations investment. I think the drive for short-term financial gain through plantations has, is and will have negative impacts on the social, environmental and economic fabric of Tasmania.

I urge the committee to adopt the options put forward by the FWPRDC, except the one to remove the sunset clause for the 12-month pre-payment rule applying to MIS - plantations should stand on their own in the investment market.

Thank you for accepting my submission.

David Pittaway