



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

Dear Sir or Madam:

Re: Taxation Treatment of Plantation Forestry.

The Pastoralists and Graziers Association (PGA) has concerns about the negative social, environmental and economic aspects of plantation forestry in Western Australia. A fundamental ideology of the PGA is that the right of individual landowners to decide how to use and manage their land must be respected. The government however must look at the wider implications when executing policy.

The PGA is a non-profit industry organization established in 1907 which represents primary producers in pastoral and agricultural regions of Western Australia. The PGA is the only Western Australian State Farmer Member of the National Farmers' Federation and participates in key industry and commodity groups. The PGA has a state-wide District Committee structure which enables grass-root input on all policy matters including natural resource management, land use and taxation issues for our members in regional, rural and remote areas of Western Australia.

Through taxation concessions, the federal government has given assistance for the establishment and growth of the plantation industry. These concessions have allowed many individual farmers to place strategic areas of their property into plantations in an effort to improve their water management and prevent or reduce the rising of the watertable. On a wider community scale these concessions have also led to large areas of high value farming country being used entirely for plantations. The change in land use has resulted in less people residing in the area and many properties in these areas now have no permanent residents. This places increased stress on the local community, at least one small community school has been closed and there are reports of businesses withdrawing from these regions due to the reduction in business. The PGA does not wish to infer that the broadacre industry has some right over this land, however traditional broadacre farming on these areas would have greater flow on benefits to the community.

There are also problems that are exacerbated by unmanaged plantation properties. Many environmental problems are increasingly approached in a coordinated manner across all tenures and land uses. This is always made more difficult when there is not a local representative of a property, who has first had knowledge of the problem, involved in the process. Some environmental issues that would fall into this category include erosion, surface water management, weed control, fire prevention, pest management and salinity. Environmental issues such as these are the focus of the

Natural Resource Management process, which is being funded and promoted through Federal policy. The broadacre agricultural industry has been a contributor to the Landcare and NRM programs and expects a similar commitment from the plantation industry.

In summary, the government's taxation incentives policy for the plantation industry must be assessed in regard to the negative impacts that flow on from wide scale adoption in an area. The PGA does not oppose the existence of the plantation industry itself or the rights of individuals to undertake a plantation on their property. We believe that the government has a responsibility to assess the wider implications of its policy and incorporate this in the policy review process.

Regards,



Belinda Thomson
NRM Policy Director