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Re Plantation Tax Review

1/ The commercial viability is being driven by the tax treatment of plantation forestry. The industry is being subsidised by the tax deductions claimed by high income earners. A dollar's new as a tax refund is worth lots more than potential income in 10 years. As the area harvested increases the price will decrease therefore current projections of potential income are not correct. Why is the tax Dept subsidising this industry?

2/ Longer term investment is not attractive due to time discounting returns.

Why not have a two tiered system where plantation for chip claims as 50% deduction and for sawlog claim 100% Ded.

Plantations are adversely affecting water quality by decreasing the water flow from areas converted to plantation. Also being a monoculture they have a negative effect on biodiversity.

Jan Sem

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