



Handasyde Strawberries Albany

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3 September 2008

Review of Non-Forestry Managed Investment Schemes
Business Tax Division
The Treasury
Langton Crescent
PARKES ACT
2600

Dear Sir/Madam

Submission on Non-Forestry Managed Investment Schemes

We own and operate medium to large commercial strawberry operation growing organic and conventional systems. We are writing to you in regard to the unfair and unethical process of MIS's.

- I have had many conversions with my own accountant and any other I meet to explain the process that gives a MIS scheme the tax advantages that I or any other mum and dad entrepreneur might receive. I believe that an MIS scheme has 3 closely working companies that invest money into a project that gets an upfront tax deduction. Our operation has been operating for 17 years in Albany and I have received some tax deductions for development work, however we have never received 100% upfront as the investors of these projects have received. As stated in their prospectus.
- Mentioning the prospectus the one I read for the rewards 2007 Strawberry project. The figures are massively inflated. The prices for the extra production placed on the market are going to receive a higher price in the market place. No Horticultural crop has achieved this except Mushrooms to my knowledge. The MIS prospectus is on

the edge of Fraudulent. Most fall in receivership after the project ends and leaves the industry in a direr place.

- We have seen cost of strawberry growing increase every year. Labour, fuel, fertiliser, packaging, freight you name it. Yes these are all deductible items although when you bring a major player like and MIS into the industry in one year everyone has to pay more for the there services. There are not enough of these services to go round now.
- Markets as I had mentioned before are supplied well now and often we are receiving prices below production costs. We have an ageing grower base because our son's and daughters are not seeing the future in the industry as it is now. I can only see that the excess of super funds and alike and along with the tax concessions that these projects can convince investors to part with there money and invest in land banking as we see it.
- We see massive social change ahead, not that change is always bad. It just needs to be done in a fair and open format. I believe that the voting public would see this as a total big brother take over, totally or particularly tax payer subsidised which we as and free trade country was not supporting.
- MIS projects don't work together with the existing industry. I believe the rewards group is not paying an industry self imposed tax which is collected from the point of sale of the Strawberry plants when they are sold. They believe the all 8 million plants are of a trial basis and because there is no money change hands that no levy can be charged. End result \$8 per thousand plants sold ends up being \$64,000 dollars per year that the National Strawberry Industry is not receiving for projects that benefit all growers.
- Our fragile environment that is on a knife edge. Large MIS projects not so much in Strawberries but hindsight will tells if it also applies to these projects. Cotton, Grapes, Tomatoes. Needing large amount of water land etc. in one place. We have 35ha of land in Albany W.A. only half of this is used in cropping. We don't try and move water into different river catchments. We have an EMS in place. These projects don't engaged the community or have the needs of the environment in mind. They don't have long term in mind. 10 years like the rewards MIS has plenty of time to have the community and the environment in mind.
- Lastly to the existing grower it is financial ruin. The 3 companies in an IMS have all different goals,

None have the price of the product in mind.

1. One the purchaser of the land. They have a set lease in place. (They can't loose they are land banking)
2. The second company the growing and harvesting company has a huge tax incentive to off set the losses that they make.
3. The marketing company receives a fee whether there the price is \$1.25 \$.90 or what ever.

End result the existing grower is forced to sell in an over supplied market and at below the cost of production. (This is all happening with the tax payers blessing. If only they knew.)

Yours Sincerely

Neil M Handasyde

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