

After looking over the draft legislation for the tax break investment allowance it appears that I would not be able to claim the 30% on second hand machinery. The first issue that I have with this ruling is that for a business of my size ie under \$1000000 turnover, purchasing new machinery is sometimes too expensive. In the case of a potato harvester, which I am currently looking at, a new machine valued at \$200000 is capable of harvesting 5000 tonnes of potatoes, so my current crop of 2000 tonnes does not justify this amount of capital investment. Hence the move towards secondhand harvesters valued at \$100000. A smaller volume machine is not available.

Secondly I consider that this purchase of a used machine would stimulate business just as much as new because presale maintenance would need to be carried out on used machinery. Also considering that a large proportion of agricultural equipment is imported.

It is my opinion that some of these issues may help small business to stimulate the economy.

Tim and Brenda Baldwin

timandbren@bigpond.com