

Dear Sir/Madam

I am writing to ask that the 30% Tax Break currently scheduled on the purchase of **new** business assets be extended to include purchases of **used** or **second-hand** assets also. As it currently stands, the Tax Break discriminates against small businesses that rely solely on sales of used assets that otherwise fall within the parameters of the Tax Break in every way, excepting the fact that they are used and not new assets.

HaulTruck Australia has been a supplier of used earthmoving equipment to the mining and construction industries since 1978. We do not sell new equipment and the proposed Tax Break places businesses such as ours at a distinct disadvantage when compared to a dealer of new equipment. Potential purchasers are now by-passing Used Equipment dealers as there is no Tax Break incentive when buying a used asset and Used Equipment dealers are suffering as a result.

If the Government is serious about boosting the Australian Economy it should be looking at incentives that keep the money circulating within Australia, not sending our money overseas on (new) imported assets. Promoting the purchase of NEW assets sees our money sent off-shore, supporting the economies of other countries in the majority of cases. This is not helping the economy of Australia or the lives of Australians.

I propose that by extending the 30% Tax Break to include Used Assets that:

- More money will stay within Australia as the asset will (in the majority of cases) already be located in Australia and owned by an Australian dealer and,
- More Australian jobs will be retained and/or created due to the local input and labour required – as compared to all overseas input and labour used in the transactions involving imports of new assets.

Where the Government currently thinks that they are helping Australian businesses and the Australian economy with the Tax Break for NEW assets, the opposite is actually true. It is hurting Australia more than it is helping. By effectively reducing the cost price of a new asset by 30%, it is instantly devaluing any comparable used asset as the demand and prices for used assets reduces. It is economically unsound for Australia to turn over money in sales of NEW (mostly imported) assets only to then send all our money overseas to pay for their importation. It defeats the logic of providing the Tax Break and attempting to stimulate the Australian economy in the first place if we are just going to send the money out of Australia to boost the economy of another country.

We are asking that the Government reconsider the Tax Break Allowance to include USED ASSETS also and help us keep the money in Australia and support Australian business and jobs in the process.

Thank you for taking the time to read and consider our views on this issue. We would be happy to discuss the matter further and can be contacted on 02 4577 6577 during business hours.

Yours faithfully
HAULTRUCK AUSTRALIA

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